

GENERAL PROJECT OVERVIEW

Azalea Health Innovations, Inc.
Name of Business

Project Bloom
Project Title or Code Name (1-5 word description)

FOR EFI USE ONLY		
<u> </u> Date Received	<u> </u> Date Revised	<u> </u> Date Completed
<u> </u> EFI Project Number		

Contact Enterprise Florida to discuss your project and application before submitting a formal proposal. The completed and signed application must be filed with:



The Atrium Building, Suite 201 • 325 John Knox Road
Tallahassee, Florida 32303
Phone: 850.298.6620 • Fax: 850.298.6659
<http://www.eflorida.com/>

GENERAL PROJECT OVERVIEW

1. BUSINESS INFORMATION

A. **Legal Name of Applicant:** Azalea Health Innovations, Inc.
This should be the entity that will be party to the QTI agreement with the State of Florida. If multiple affiliates are involved in job creation and/or paying taxes, include an attachment listing affiliate name(s), Federal Employer Identification Number(s), Unemployment Compensation Number(s) and relationship to applicant.

B. **Mailing Address:** 105 W. Central Avenue
Street Address

Valdosta
City

GA
State

31601
Zip Code

C. **Name of Parent Company:** N/A

D. **Primary Business Unit Contact:** Doug Swords
Title: CFO

Mailing Address: 105 W. Central Avenue
Street Address

Valdosta
City

GA
State

31601
Zip Code

Telephone: 229 444-6334

Fax: 866 683-8679

Email: dswords@azaleahealth.com **Website:** www.azaleahealth.com

E. **Business Unit's Federal Employer Identification Number:**
(Please complete either the substitute W-9 Form at the end of this application or attach a completed IRS Form W-9.) 26-0874838

F. **Business Unit's Unemployment Compensation Number¹:** NA

G. **Business Unit's Florida Sales Tax Registration Number:** NA

H. **Will the business unit or its parent company have Federal Corporate Income Tax liability attributable to this project?**

If yes, will there also be State
 Corporate Income Tax Liability

Yes ☐ No ☒ attributable to this project? Yes ☐ No ☐

I. **Is the business unit minority owned?**

Yes ☐ No ☒ If yes, explain:

J. **What is the business unit's tax year (ex: Jan 1 to Dec 31):** Oct 1st—Sept 30th

K. **Has this business unit, or any related entities, applied for and/or been approved for State incentives in the past?**

Yes ☐ No ☒ If yes, explain: _____

2. PROJECT OVERVIEW

A. **Which of the following best describes this business unit²:**

☒ New business unit to Florida

☐ Existing Florida business creating and / or retaining jobs³.

¹ If multiple unemployment compensation reporting units or multiple worksites are involved, contact Enterprise Florida to discuss this structure or include an attachment listing the additional units and their relationship to the applicant. Business entities not disclosed here may not be party to or count toward the requirements of the contract with the State of Florida.

² Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

³ A QTI Tax Refund award cannot be granted for existing Florida jobs.

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If an expansion, how many jobs are currently in the expanding business unit?

B. How many individuals are employed at all Florida locations? 2

C. Are any jobs being transferred from other Florida locations⁴?

Yes ☐ No ☒ If yes, how many jobs and from where? N/A

Why are these jobs moving and why is it justified in light of the statutory language governing the applicable incentive program(s)?

N/A

D. Give a full description of this project, including a company overview, the primary activities / functions of this business unit and project, and the reasons for contemplating an expansion in / relocation to Florida:

Azalea Health engages in the development, sales, and support of healthcare management software and services. This business unit/project will serve as a software engineering/development hub for Azalea Health. The primary reasons for considering location of this SBU in the Gainesville, FL area is to capitalize on the quality Software Engineering graduates & current students at UF and Santa Fe CC, and to offer an attractive city/area for future employees to relocate to.

E. In what Targeted Industry(ies) does the proposed project operate⁵: Health Science Industry – (Computer Software Engineering/Development)

F. Break down the project's primary function(s) and the corresponding wages:

Business Unit Activities	5 Digit NAICS Code(s)	Project Function (total = 100%)	Annualized Wage (\$)
Software Engineering/Development	541512	100%	\$60000
		%	\$
		%	\$

G. What is the project's proposed location address:

To be determined – Downtown Gainesville Enterprise Zone

Street Address

City State Zip Code

What is the project's current location address (if different):

105 W. Central Avenue

Street Address

Valdosta GA 31601
City State Zip Code

H. Is the project location within a current or proposed Brownfield site / area?

Yes ☐ No ☒ If yes, attach a copy of the official document designating the Brownfield area.

Is the project location in an Enterprise Zone?

Yes ☒ No ☐ If yes, which zone? Downtown Gainesville

Is the project location in a designated Rural area?

Yes ☐ No ☒ If yes, which Rural area? _____

Is the project location in an Urban area⁶?

Yes ☒ No ☐ If yes, describe? Downtown Gainesville

⁴ Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.

⁵ Refer to the QTI Target Industry list.

⁶ An Urban area may include a Community Redevelopment Area (CRA), Urban Job Tax Credit eligible area, Urban Enterprise Zone, Federal Empowerment Zone, an Urban revitalization area, etc.

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- I. Which of the following describes the applicant's operations (select all that apply):
- ☒ Multi-state business enterprise
- ☐ Multinational business enterprise
- ☐ Florida business enterprise (eligible for Brownfield Redevelopment Bonus incentive only)
- J. Which of the following describes this business unit (select all that apply):
- ☐ Regional headquarters office
- ☐ National headquarters office
- ☐ International headquarters office
- ☒ This is not a dedicated headquarters office (primarily R&D)
- K. What is the estimated percentage of gross receipts or final sales resulting from this project that will be made outside of Florida (if sales is not a reasonable measure, use another basis for measure and provide explanation below):
- 90% Explain, if necessary: _____

3. JOB AND WAGE OVERVIEW

- A. How many Florida jobs⁷ are expected to be created as part of this project? 10
- B. If an existing business unit, how many Florida jobs are expected to be retained as part of this project? (jobs in jeopardy of leaving Florida should only be included here; these jobs are not eligible for QTI) N/A
- C. What is the anticipated annualized average wage (excluding benefits) of the new to Florida jobs created as part of this project? (Cash payments to the employees such as performance bonuses and overtime should be included. The wage reported here is only an estimate of the average wage to be paid and will not be used in the certification, agreement, and claim evaluation process.) \$60K
- D. What is the annualized average value of benefits associated with each new job created as part of this project? \$8000
- E. What benefits are included in this value? (health insurance, 401(k) contributions, vacation and sick leave, etc.)
Health, dental, vision, and life insurance, IRA Contributions, Paid Time Off

4. CAPITAL INVESTMENT OVERVIEW

- A. Describe the capital investment in real and personal property (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment.):
Office Furniture, Computer Hardware
- B. Will this facility be:
- ☒ Leased space with renovations or build out
- ☐ Land purchase and construction of a new building
- ☐ Purchase of existing building(s) with renovations
- ☐ Addition to existing building(s) (already owned)
- ☐ Other (please describe in 4A above)
- C. List the anticipated amount and type of major capital investment to be made by the applicant in connection with this project:

⁷ A "full time equivalent job" means at least 35 hours of paid work per week.

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Calendar Year :	2013	2014	Total			
Land or Building Purchase	\$	\$	\$	\$	\$	\$
Construction / Renovations	\$	\$	\$	\$	\$	\$
Manufacturing Equipment	\$	\$	\$	\$	\$	\$
R&D Equipment	\$	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc.)	\$15000	\$15000	\$	\$	\$	\$30000
Total Capital Investment	\$15000	\$15000	\$	\$	\$	\$30000

- D. What is the estimated cost of machinery and equipment or other resources for this project expected to be purchased outside of Florida? \$0.00
- E. Describe the type(s) of machinery and / or other resources to be purchased outside of Florida.
N/A
- F. What is the estimated square footage of the new or expanded facility? 1500
- G. When is the final location decision anticipated (date)? September 2013
- H. What is the anticipated date construction will begin? NA
- I. What is the anticipated date operations will commence? September 2013

5. COMPETITIVE LANDSCAPE

- A. What role will the incentive(s) play in the business unit's decision to locate, expand, or remain in Florida?
Proposed incentives would provide a financial opportunity that would make Gainesville FL a more attractive location when compared to opportunities in other communities. These incentives would provide a financial advantage to finding and hiring new software developers.
- B. How will the incentive dollars be used by the business?
Operations
- C. What other cities, states, or countries are being considered for this project?
Atlanta GA
- D. What advantages or incentives offered by these locations do you consider important in your decision?
Financial and Logistical incentives, labor market and market penetration potential, real estate availability
- E. What advantages or disadvantages offered by the proposed Florida location do you consider important in your decision?
Accessibility to talent. Attractive location for recruiting new employees
- F. Indicate any additional internal or external competitive issues impacting this project's location decision?

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

- A. Provide a brief synopsis of the special impacts the project is expected to stimulate in the community, the state, and the regional economy. Include the impact on indicators such as unemployment rate, poverty rate, and per capita income.
This business unit operates in the Health Science industry and intends to hire high wage

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technically skilled employees in Computer Science and Software Engineering. This would allow the graduates of the local Universities and Colleges an opportunity to stay and work in the local community. This would improve the possibly for research projects between the educational community and Azalea Health.

- B. Provide a summary of past activities in Florida and in other states.** For example, what kind of corporate citizen has the applicant been? Also list awards or commendations.

Azalea employs sales reps based in GA and FL. Azalea has received the following awards: Big Dreams Small Business Award nomination: 2012 - U.S. Chamber of Commerce, Blue Ribbon Award Winner: 2012 - U.S. Chamber of Commerce, Small Business of the Year: 2013 - Valdosta GA Chamber of Commerce, Small Business Rock Stars: 2013 - Georgia Department of Economic Development. Azalea's community involvement includes: CFO presented at lecture series at Valdosta State University (VSU). Azalea founders win the VSU GOLD Alumni Award (Graduate of the Last Decade) from Valdosta State University for demonstrating professional achievements and exceptional community service. Donate their time by participating in the "Angels" program for the Business Plan Competition in the Valdosta area. Provided financial sponsorship for the Chamber's Business Showcase for three years as well as taught numerous Chamber Lunch-n-Learn workshops. CFO serves as board member to the Greater Valdosta United Way and company participates 100% in the \$1 for \$1 match which amounted to a total of \$30,000 that was given back to United Way. CEO is a member of Rotary International. CEO is a Board Member of the Valdosta-Lowndes County Chamber of Commerce. CFO is a member of the MetroOne Valdosta organization for young professionals. CEO serves as a Technical advisor for the Wiregrass Technical College for the Healthcare Information Technology Program. CEO is a Board Member of the Central Valdosta Development Authority and the Downtown Development Authority. Employees of Azalea volunteered to build a house for the Habitat for Humanity project. CEO is a member of the Technology Association of Georgia. CEO is a member of the American College of Healthcare Executives. CEO is a board member of the Valdosta Main Street Association. Azalea team participated in the "Amazing Race" kick off for the Greater Valdosta United Way Campaign 2011-2013. Azalea sponsored Smith-Northview Hospital's September 2012 Art Reception. Azalea sponsored the 2012 American Diabetes Association Kiss-a-Pig Campaign fundraiser, Savannah's Got Talent! Azalea sponsored the 2012 Chatham Orthopaedics Associates Ballroom Extravaganza Event. Members of Azalea staff donated blood to the Southeastern Community Blood Center

- C. List and explain any criminal or civil fines or penalties, recent or ongoing investigations and lawsuits, federal, state and/or local tax liens, and environmental issues that have been imposed upon the company, its executives, or its affiliates and any recent bankruptcy proceedings of the applicant or its parent company.** Failure to disclose relevant information may mean automatic disqualification. If there are no issues to be identified, answer "None". Do not leave this question blank.
-
- None
-

- D. Provide any additional information you wish to be considered as part of this incentive application or items that may provide supplementary background information on your project or company.**

Azalea's vision statement outlines our goal to be a nationwide leader in the HIT industry.

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We feel building a development team in Gainesville and leveraging the talent in the area is a important part of that process.

7. CONFIDENTIALITY

- A. You may request that your project information (including information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records for a 12 month period, with an additional 12 month extension available upon request for projects still under consideration.

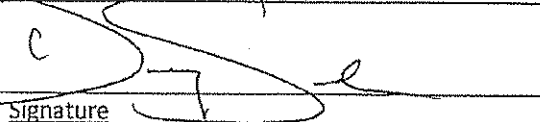
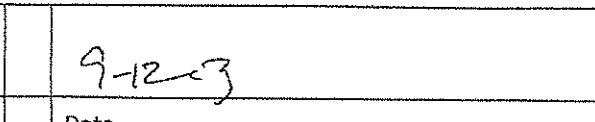
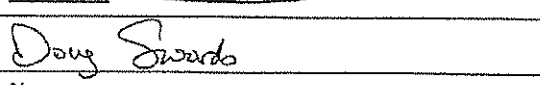
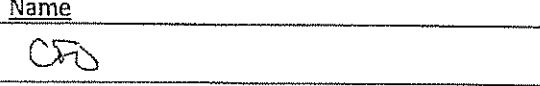
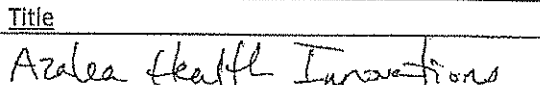
If you wish to request confidentiality for information contained within the General Project Overview to be held confidential pursuant to section 288.075, Florida Statutes, please submit to Enterprise Florida, Inc. a request on company letterhead and signed by an authorized company officer including the following statement:

On behalf of (Legal Name of Applicant), please accept this letter as a request for all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention to evaluate or locate in Florida as well as other trade secrets, identification, account, and registration numbers, and proprietary confidential business information be held confidential pursuant to section 288.075, Florida Statutes for a period of 12 months after the date of receipt of this request for confidentiality or until the information is otherwise disclosed, whichever occurs first. This request covers all applicable economic development agencies, including but not limited to Enterprise Florida and the Department of Economic Opportunity.

*** Be sure to attach the proper incentive attachment sheet(s) ***

SIGNATURE

The undersigned person hereby affirms that he or she has been duly authorized and empowered to verify, execute and deliver this Application, that he or she has read this Application (including all attachments hereto) and he or she has knowledge of all of the facts stated herein, and that this Application, and all information submitted in connection herewith, is complete and accurate and contains no misstatements, misrepresentations, or omissions of material facts, to the best of his or her knowledge and belief.

	
<u>Signature</u>	<u>Date</u>
	
<u>Name</u>	
	
<u>Title</u>	
	
<u>Company</u>	

Qualified Target Industry Tax Refund Attachment to the General Project Overview

AZALEA HEALTH INNOVATIONS INC

Name of Business

FOR EFI USE ONLY		
Date Received	Date Revised	Date Completed
<div style="border-bottom: 1px solid black; margin: 0;"></div> EFI Project Number		

Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

IMPORTANT NOTE: This application must be filed and the incentive approved *prior* to making the decision to expand an existing Florida business unit or to locate a new business unit in Florida.

Be sure to submit the General Project Overview and Local Support Resolution¹ following passage by the City / County

1. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

A. What is the total number of net new full-time equivalent Florida jobs created by the project at the business unit²? _____

10

B. Provide the job creation schedule to which you commit: (Please limit the phases to a maximum of three consecutive years and job creation to no less than ten jobs in the first year).

Phase	Number of net new full-time equivalent Florida jobs created in the business unit	Date by which jobs will be created
I	10	12/31/14
II		
III		
Total	10	

C. For the purposes of certification, agreement, and claim review, indicate the average wage and corresponding threshold (percentage) to which you commit:

Check the relevant box (only one) and fill in the first field (wage commitment) and second field (county, state, or MSA used).

- ☐ \$_____, which is at least 115% of the average wage in _____.
- ☒ \$52,377, which is at least 150% of the average wage in FL.
- ☐ \$_____, which is at least 200% of the average wage in _____.

2. LOCAL FINANCIAL SUPPORT

A. Identify the local government(s) anticipated to provide local financial support³:

City of Gainesville and Alachua County

B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:

September 2013

¹ Submit the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the amount of local financial support that has been committed. Resolution should clearly indicate waivers requested and justification for such waivers.

² Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).

³ The total QTI award may not exceed five times the local financial support provided by the community. If the community has requested a local financial support waiver or the support is provided in the form of ad valorem tax abatement, the QTI award will be reduced by this amount.

Qualified Target Industry Tax Refund Attachment to the General Project Overview

3. SIGNATURES

Signature of Individual Completing this Attachment
(if different from General Project Overview)

Date

Address (if different)

Phone Number (if different)


Signature (Authorized Company Officer) REQUIRED
Doug Swords CFO

08/26/2013
Date

Name and Title of Authorized Officer

4. KEY QTI PROGRAM INFORMATION

- The tax refund claim form will be due by January 31st each year for the number of jobs on December 31st of the previous calendar year. Tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled.
- The total award will be equal to \$3,000 (\$6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in item 1A. Additional per job bonuses may be available; however, the QTI award may not exceed five times the local financial support paid by the community.
 - \$1,000 per job if the average annual wage is at least 150% of the area's average; or \$2,000 per job if the average annual wage is at least 200%.
 - \$2,000 per job if the business falls within a designated high impact sector OR if the business increases exports of its goods through a seaport of airport in the state by at least 10 percent in value or tonnage in each year of receiving a QTI refund.
 - \$2,500 per job if the project locates in a designated Brownfield area (Brownfield Bonus).
 - \$1,000 per job if the local financial support is equal to the base QTI award.
- If in any year the applicant does not achieve the job creation schedule outlined in item 1C, but achieves at least 80% of the required net new jobs, the company will receive a pro-rated refund less a 5% penalty of the scheduled award amount for that year. If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program. Similarly, if the average wage falls below the wage committed to in 1C, the company will not receive a refund and will be terminated from the program.
- For an expanding Florida business unit:
 - Existing number of full-time equivalent Florida jobs must be maintained for the duration of the QTI agreement.
 - The average wage commitment should include wages paid for only the net new to Florida jobs, as shown on the unit's UCT-6 form. The applicant will be required to establish a tracking mechanism to distinguish between existing versus new jobs and employees filling those jobs. Contact Enterprise Florida for more information.
- QTI eligible jobs are those that are physically located within the State of Florida and located at the facility listed as the proposed location address in question 2G of the General Project Overview or subsequent QTI contract with the State of Florida. If any jobs will not be physically located at the proposed location address, contact Enterprise Florida to discuss the situation. Jobs that are paid out of the proposed location address facility but are not located at that facility or in the State of Florida are not considered net new jobs for QTI purposes.
- A qualified target industry business that fraudulently claims a refund under 288.106(2), Florida Statutes:
 - Is liable for repayment of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
 - Is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- Qualified Target Industry Tax Refund: Section 288.106, Florida Statutes.



www.AzaleaHealth.com

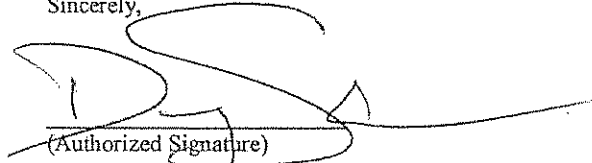
09/12/2013

Tim Vanderhoof
Manager, Business Development
Enterprise Florida, Inc.
800 N. Magnolia Avenue, Suite 1100
Orlando, FL 32803

Dear Mr. Vanderhoof:

On behalf of Azalea Health Innovations Inc, please accept this letter as a request for all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention to evaluate or locate in Florida as well as other trade secrets, identification, account, and registration numbers, and proprietary confidential business information be held confidential pursuant to section 288.075, Florida Statutes for a period of 12 months after the date of receipt of this request for confidentiality, until the date specified in the Final Project Order, or until the information is otherwise disclosed, whichever occurs first. This request covers all applicable economic development agencies, including but not limited to Enterprise Florida and the Department of Economic Opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Swords", is written over a horizontal line. Below the line, the text "(Authorized Signature)" is printed in a small, sans-serif font.

Doug Swords - CFO