

INTRODUCED: November 14, 2016

AN ORDINANCE No. 2016-271

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Commonwealth's Development Opportunity Fund Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., the Economic Development Authority of the City of Richmond, and the Virginia Economic Development Partnership Authority to facilitate the establishment of CoStar Realty Information, Inc.'s business operations in the city of Richmond and to set forth the responsibilities of the parties.

Patron – Mayor Jones

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: DEC 12 2016 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute the Commonwealth's Development Opportunity Fund Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., the Economic Development Authority of the City of Richmond, and the Virginia Economic Development Partnership Authority to facilitate the establishment of CoStar Realty Information, Inc.'s business operations in the city of Richmond and to set forth the responsibilities of the

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: DEC 12 2016 REJECTED: _____ STRICKEN: _____

parties. The Commonwealth's Development Opportunity Fund Performance Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND O & R REQUEST

INTRACITY CORRESPONDENCE

OCT 28 2016
4-5842
Chief Administration Office
City of Richmond

O&R REQUEST

DATE: October 28, 2016 **EDITION** 1

TO: The Honorable Members of City Council

THROUGH: Dwight C. Jones, Mayor *DJ*

FROM: Selena Cuffee-Glenn, Chief Administrative Officer *SCG*

FROM: Lenora Reid, Deputy Chief Administrative Officer, Finance & Administration *LR*

FROM: Peter L. Downey, Deputy Chief Administrative Officer for Economic Development & Planning *PLD*

RE: Governor’s Development Opportunity Fund Performance Agreement by and between the City of Richmond, CoStar Realty Information, Inc., a Delaware Corporation authorized to do business in the Commonwealth of Virginia, the Economic Development Authority of the City of Richmond, and the Virginia Economic Development Partnership Authority.

ORD. OR RES. No. _____

PURPOSE: To authorize the Chief Administrative Officer, on behalf of the City of Richmond (“the City”), to execute the Commonwealth Development Opportunity Fund Performance Agreement (“the Agreement”) attached hereto by and between the City, CoStar Realty Information, Inc. (“CoStar”), the Economic Development Authority of the City of Richmond (“EDA”), and the Virginia Economic Development Partnership Authority, a political subdivision of the Commonwealth of Virginia (“VEDP”).

REASON: In order for the City to enter into the proposed Agreement, City Council action is required.

RECOMMENDATION: The City Administration recommends adoption of this ordinance.

BACKGROUND: On October 24, 2016, Governor McAuliffe announced a \$4 million grant from the Commonwealth’s Development Opportunity Fund to assist the City in attracting CoStar to Virginia. After an extensive site selection process that entailed evaluating 22 cities, CoStar chose the City of Richmond in which to expand its operations.

The City worked diligently with the CoStar to attract it to a site in downtown that meets the operational needs of its real estate research headquarters, while stimulating new job creation in the city.

The City worked diligently with the CoStar to attract it to a site in downtown that meets the operational needs of its real estate research headquarters, while stimulating new job creation in the city. CoStar plans to locate its Research Headquarters in approximately 125,000 square feet in the West Rock Building. Its occupancy will reduce the vacancy rate for downtown office space.

CoStar plans to be open and operational by year-end 2016 and eventually employ 732 full time employees with an average salary of \$57,821. The construction of tenant improvements and investment in business equipment is expected to total capital expenditure of approximately \$8,170,000.

The Agreement, among CoStar, the City, the EDA, and VEDP, sets forth the terms and conditions under which the Commonwealth Opportunity Fund 4 million dollar grant ("COF Grant") will be provided to the Company. The COF Grant is made for the purpose of inducing new jobs and investment in the City.

The Agreement requires CoStar to meet certain performance targets (i.e., 732 new jobs and \$8,170,000 capital investment) and, provided such targets are met, requires the locality to match the COF Grant. The City's match, totaling \$4,003,000 will be met by a combination of Enterprise Zone benefits, public transportation connectivity enhancements, workforce development and training programs, and Business Professional and Occupational License (BPOL) Tax Relief, as allowed by City Code Section 26-874.

FISCAL IMPACT / COST: The City will match the COF Grant through in-kind goods and services.

FISCAL IMPLICATIONS: CoStar locating in Richmond expected to generate approximately \$250,000,000 in direct and indirect economic impact in the City. The projected investment in business personal property in the first five years is not less than \$5.22 million and \$2.95 million for tenant improvements in the leased space.

BUDGET AMENDMENT NECESSARY: None

REVENUE TO CITY: New taxes generated from the project, Business Personal Property taxes, Real Estate taxes, and BPOL.

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: November 14, 2016

CITY COUNCIL PUBLIC HEARING DATE: December 12, 2016

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: The Economic Development Authority must approve the proposed Agreement.

AFFECTED AGENCIES: Chief Administrative Officer; City Attorney; Economic and Community Development; Planning and Development Review; Office of Community Wealth Building, Multi-modal Transportation and Public Works.

RELATIONSHIP TO EXISTING ORD. OR RES.: None

REQUIRED CHANGES TO WORK PROGRAM(S): City employees will be assigned to provide the necessary assistance to the Economic Development Authority. The Office of Community Wealth Building will require additional resources to provide the workforce services and training.

ATTACHMENTS: Governor's Development Opportunity Fund Performance Agreement

STAFF: Lee Downey, Director, Economic & Community Development, 646-5633
Jane Ferrara, Deputy Director, Economic & Community Development, 646-5633
Reginald Gordon, Director, Office of Community Wealth Building, 646-3108
Amy Inman-Senior Administrator of Multi-modal Transportation, 646-5871
Selena Cuffee-Glenn, Chief Administrative Officer, 646-7978

COMMONWEALTH'S DEVELOPMENT OPPORTUNITY FUND

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (this "Agreement") is made and entered this ____ day of December, 2016, by and among the **CITY OF RICHMOND, VIRGINIA** (the "Locality"), a municipal corporation of the Commonwealth of Virginia (the "Commonwealth"), **COSTAR REALTY INFORMATION, INC.** (the "Company"), a Delaware corporation authorized to transact business in the Commonwealth, the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA** (the "Authority"), a political subdivision of the Commonwealth, and the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY ("VEDP")**, a political subdivision of the Commonwealth.

WITNESSETH:

WHEREAS, the Locality has been awarded a grant of and expects to receive \$4,000,000 from the Commonwealth's Development Opportunity Fund (a "COF Grant") through VEDP for the purpose of inducing the Company to lease, improve, equip and operate an office and research facility in the Locality (the "Facility"), thereby making a significant Capital Investment, and creating and Maintaining a significant number of New Jobs, as such capitalized terms are hereinafter defined;

WHEREAS, the Locality is willing to provide the funds to the Authority with the expectation that the Authority will provide the funds to or for the use of the Company, provided that the Company promises to meet certain criteria relating to Capital Investment and New Jobs;

WHEREAS, the Company is relying on the funding and incentives set forth in this Agreement in making its decision to lease, improve, equip and operate the Facility and to make the significant Capital Investments and create the New Jobs in the Locality;

WHEREAS, the Locality, the Authority, the Company and VEDP desire to set forth their understanding and agreement as to the payout of the COF Grant, the use of the COF Grant proceeds, the obligations of the Company regarding Capital Investment and New Jobs, and the repayment by the Company of all or part of the COF Grant under certain circumstances;

WHEREAS, the leasing, improvement, equipping and operation of the Facility will entail a capital expenditure by or on behalf of the Company of approximately \$8,170,000, of which approximately \$5,220,000 is expected to be invested in tangible business property and approximately \$2,950,000 is expected to be invested in the up-fit of the building in which the Company will lease space;

WHEREAS, the leasing, improvement, equipping and operation of the Facility is expected to further entail the creation and Maintenance of 732 New Jobs at the Facility; and

WHEREAS, the stimulation of the additional tax revenue and economic activity to be generated by the Capital Investment and New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the COF Grant.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties covenant and agree as follows.

Section 1. Definitions.

For the purposes of this Agreement, the following terms shall have the following definitions:

“Average Annual Wage” means the average annual compensation of full-time positions counted as New Jobs determined by dividing total payroll (of a type included in W-2 compensation), including bonuses, commissions and the value of stock-based grants, but excluding the value of other fringe benefits, for the New Jobs at the Facility by the number of New Jobs at the Facility.

“Capital Investment” means a capital expenditure by or on behalf of the Company in taxable real property, taxable tangible personal property, or both, at the Facility or for employees based at the Facility. A capital expenditure related to a leasehold interest in real property will be considered to be made “on behalf of the Company” if a lease or sublease between a developer or sublandlord and the Company is a capital lease, or is an operating lease having a term of at least five years, and the real property would not have been constructed or improved but for the Company’s interest in leasing or subleasing some or all of the real property. Only the capital expenditures allocated to the portion of the real property to be leased or subleased by the Company will count as “Capital Investment.” The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, licenses of hardware and software, and expected building up-fit, tenant improvements and costs incurred in connection with the building up-fit and tenant improvements by or on behalf of the Company will qualify as Capital Investment.

“Initial New Jobs” means the number of New Jobs created and Maintained as of the Initial Performance Date, but not to exceed 732.

“Initial Performance Date” means December 31, 2019. If the Locality, in consultation with the Authority and VEDP, deems that good faith and reasonable efforts have been made and are being made by the Company to achieve the Targets, the Locality may agree to extend the Initial Performance Date by up to 15 months. If the Initial Performance Date is extended pursuant hereto, the Locality shall send written notice of the extension to the Authority, the Company and VEDP and the date to which the Initial Performance Date has been extended shall be the “Initial Performance Date” for the purposes of this Agreement.

“Maintain” or “Maintained” means that the New Jobs will continue without interruption from the date of creation through either the Initial Performance Date or the Subsequent

Performance Date, as applicable. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company's employment levels, including ordinary course attrition or temporary fluctuations in the workforce, so long as there is active recruitment for those open positions, (ii) strikes, and (iii) other temporary work stoppages.

"New Job" means new permanent full-time employment of an indefinite duration at the Facility for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an Average Annual Wage of at least \$57,821 (calculated based on all New Jobs Maintained at the Facility on the measurement date (i.e. the Initial Performance Date or the Subsequent Performance Date, as applicable)). Each New Job must require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the Company's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth, and positions with construction contractors, vendors, suppliers and similar multiplier or spin-off jobs shall not qualify as New Jobs. Positions created when a job function is shifted from an existing location outside the Commonwealth shall qualify as New Jobs. Net new jobs in the Commonwealth for contractors or employees of contractors who provide dedicated full-time service to the Company at the Facility may count as New Jobs, even though the Company is not directly paying the wages or providing the fringe benefits, if the other conditions set forth in this paragraph have been satisfied. Positions in the Locality's Center for Workforce Innovation programs, including the Work Experience Program and On-the-Job Training Program, shall count as New Jobs, even if the conditions set forth in this paragraph are not satisfied, provided that (a) the Company intends to hire the participant for a position meeting the conditions set forth in this paragraph if the person successfully completes training and satisfies the job requirements, and (b) their wages shall not be included in the calculation of the Average Annual Wage until they are on Company payroll on a full-time basis.

"Subsequent Performance Date" means the date that is two years after the Initial Performance Date. Except as so noted, the Subsequent Performance Date is not subject to extension.

"Targets" means the Company's obligations to make Capital Investments at the Facility of at least \$8,170,000 (the "Capital Investment Target") and to create and Maintain at least 732 New Jobs (the "New Job Target") at the Facility, all as of the Initial Performance Date. Further, "Targets" includes the Company's obligation to Maintain at least the Initial New Jobs at the Facility as of the Subsequent Performance Date.

"Virginia Code" means the Code of Virginia of 1950, as amended.

"VJIP" means the Virginia Jobs Investment Program, which is a workforce development program administered by VEDP.

Section 2. Targets; Statutory Criteria.

(a) *Targets:* The Company will lease, improve, equip and operate the Facility in the Locality and make a Capital Investment of at least \$8,170,000 no later than the Initial Performance Date, and create and Maintain at least 732 New Jobs at the Facility as of the Initial Performance Date. Further, the Company will Maintain at least the Initial New Jobs at the Facility as of the Subsequent Performance Date.

(b) *Encouragement to Offer New Jobs to Residents of the Commonwealth and the Locality:* The Locality, the Authority and VEDP hereby strongly encourage the Company to ensure that at least 30% of the New Jobs are offered to "Residents" of the Commonwealth, as defined in Virginia Code Section 58.1-302. In pertinent part, that definition includes natural persons domiciled in Virginia or natural persons who, for an aggregate of more than 183 days of the year, maintained a place of abode within the Commonwealth, whether domiciled in the Commonwealth or not.

Furthermore, the Locality and the Authority hereby strongly encourage the Company to offer New Jobs to current residents of the Locality, to the extent reasonable. The Company hereby agrees to use reasonable efforts to offer New Jobs to current residents of the Locality.

(c) *Prevailing Wage; Unemployment and Poverty Rates:* The Average Annual Wage of the New Jobs of at least \$57,821 is less than the prevailing average annual wage in the Locality of \$58,289, but is more than 85% of that prevailing average annual wage (\$49,546). The Locality is a high-unemployment locality, with an unemployment rate for 2015, which is the last year for which such data is available, of 5.2% as compared to the 2015 statewide unemployment rate of 4.4%. The Locality is a high-poverty locality, with a poverty rate for 2014, which is the last year for which such data is available, of 25.0% as compared to the 2014 statewide poverty rate of 11.8%.

(d) *Disclosure of Political Contributions:* The Company acknowledges that the name of the Company will be shared by VEDP with the Governor of Virginia, and any campaign committee or political action committee associated with the Governor. The Company acknowledges that within 18 months of the date of this Agreement, the Governor, his campaign committee, and his political action committee will submit to the Virginia Conflict of Interest and Ethics Advisory Council a report listing any contribution, gift, or other item with a value greater than \$100 provided by the Company to the Governor, his campaign committee, or his political action committee, respectively, during the period from the date of the Company's application for the COF Grant through the one-year period immediately after the date of this Agreement.

Section 3. Disbursement of COF Grant.

(a) *Deemed Disbursement by Locality and Authority Through VEDP:* Due to the methodology of disbursing the COF Grant proceeds as and when VJIP proceeds are distributed to the Company, as described in subsection (b) below, the Locality and the Authority agree that VEDP will disburse the proceeds of the COF Grant directly to the Company, on behalf of the Locality and the Authority, without routing the proceeds first to the Locality, then to the Authority

and then to the Company. The COF Grant will still be deemed to have been made through VEDP to the Locality, but for administrative ease and efficiency, the proceeds will be disbursed directly by VEDP to the Company as and when VJIP proceeds are distributed by VEDP.

By signing this Agreement, the Locality and the Authority acknowledge and agree to this disbursement of the COF Grant, on the terms described in subsection (b) below.

By signing this Agreement, the Company acknowledges and agrees that the COF Grant is being disbursed by VEDP directly to the Company and that the Locality and the Authority have no obligation to make any disbursements related to the COF Grant to the Company, should VEDP fail to do so.

(b) *Disbursement of the COF Grant:* The disbursement of the COF Grant proceeds to the Company will serve as an inducement to the Company to achieve the Targets at the Facility.

First Payment: The Company will provide notice and evidence reasonably satisfactory to the Authority and VEDP in substantially the form attached to this Agreement as Exhibit 1 that it has (1) made Capital Investments at the Facility of at least \$6,536,000 (80% of the \$8,170,000 Capital Investment Target) and (2) submitted to VEDP a Reimbursement Request Form for a payment to the Company under VJIP for a given number of New Jobs set forth in the Reimbursement Request Form. Such evidence will be subject to verification by the Authority and VEDP. As and when VJIP proceeds are distributed to the Company, VEDP will disburse to the Company COF Grant proceeds in an amount equal to \$5,816 for the first New Job for which VJIP proceeds are being distributed to the Company plus \$5,464 for each additional New Job for which VJIP proceeds are being distributed to the Company.

Subsequent Payments: The Company will provide notice and evidence reasonably satisfactory to the Authority and VEDP in substantially the form attached to this Agreement as Exhibit 1 that, except as noted below, it has submitted to VEDP a Reimbursement Request Form for a payment to the Company under VJIP for a given number of New Jobs set forth in such Reimbursement Request Form. Such evidence will be subject to verification by the Authority and VEDP. As and when VJIP proceeds are distributed to the Company, VEDP will disburse to the Company COF Grant proceeds in an amount equal to \$5,464 for each additional New Job for which VJIP proceeds are being distributed to the Company. For clarity, subsequent payments shall be made net of any New Jobs for which the Company has previously received COF proceeds.

Last Payment Upon Substantial Compliance: Upon achievement of at least eighty percent (80%) of both the Capital Investment Target and the New Job Target, the Company shall be entitled to request and receive all remaining COF Grant proceeds and, if the Company elects to so request, will provide notice and evidence reasonably satisfactory to the Authority and VEDP in substantially the form attached to this Agreement as Exhibit 1 that it has (1) made Capital

Investments at the Facility of at least \$6,536,000 and (2) except as noted below, submitted to VEDP Reimbursement Request Forms for payment to the Company under VJIP for at least eighty percent (80%) of the New Job Target (586 New Jobs). Such evidence will be subject to verification by the Authority and VEDP. As and when VJIP proceeds are distributed to the Company pursuant to the foregoing Reimbursement Request Form(s), VEDP will disburse to the Company all remaining COF Grant proceeds, regardless of the total number of New Jobs Maintained at that time or the number of New Jobs for which VJIP proceeds are being distributed to the Company at that time. In such event, the Initial New Jobs will be deemed to be 732 New Jobs.

Pursuant to this subsection (b) and except as specifically provided otherwise under *Last Payment Upon Substantial Compliance* above, the Company shall be entitled to receive and VEDP shall disburse to the Company COF Grant proceeds on an on-going basis based upon the Company's achievement of the respective requirements and submission of the respective Reimbursement Request Forms.

If any COF Grant proceeds have not been requested by the Company to be disbursed to the Company within 90 days after the Initial Performance Date, VEDP will redeposit such proceeds to the Commonwealth's Development Opportunity Fund and such proceeds will no longer be available for disbursement to the Company under this Agreement. In making its last request for a disbursement of COF Grant proceeds, whether as a Subsequent Payment or the Last Payment Upon Substantial Compliance, the Company may request a disbursement for New Jobs that have been created and Maintained but are not contemporaneously the subject of a Reimbursement Request Form.

(c) *Use of the COF Grant Proceeds:* The Company will use the COF Grant proceeds to pay or reimburse the cost of recruiting and training its employees at the Facility, or for any other lawful purpose that is permitted by Section 2.2-115(D) of the Virginia Code.

Section 4. Break-Even Point; State and Local Incentives.

(a) *State-Level Incentives:* VEDP has estimated that the Commonwealth will reach its "break-even point" by the Subsequent Performance Date. The break-even point compares new revenues realized as a result of the Capital Investment and New Jobs at the Facility with the Commonwealth's expenditures on incentives, including but not limited to the COF Grant. Notwithstanding anything to the contrary herein, the incentives summarized in this Agreement are expected to be provided to the Company pursuant to the terms of applicable procedures and documents without regard to the Commonwealth's, VEDP's, the Authority's or the Locality's break-even points or other calculations or models. With regard to the Facility, the Commonwealth expects to provide incentives in the following amounts if the Company meets its corresponding commitments:

<u>Category of Incentive:</u>	<u>Total Amount</u>
COF Grant	\$4,000,000
Virginia Jobs Investment Program ("VJIP")	732,000
Enterprise Zone Real Property Improvement Grant ("EZRPiG")	100,000
Enterprise Zone Job Creation Grant ("EZJCG")	1,400,000
Major Business Facilities Job Tax Credit ("MBFJTC")	331,000

The proceeds of the COF Grant shall be used for the purposes described in Section 3(c). The VJIP grant proceeds shall be used by the Company to pay or reimburse itself for recruitment and training costs. The proceeds of the EZRPiG and the EZJCG may be used by the Company for any lawful purpose. The MBFJTC will serve as an offset to Virginia corporate income taxes that may be owed by the Company.

(b) *Locality-Level Incentives:* The Locality expects to provide the following incentives, as matching grants or otherwise, for the Facility:

<u>Category of Incentive:</u>	<u>Total Amount</u>
Local Enterprise Zone Incentives	\$ 38,000
Public Transportation Connectivity	750,000
Installation of Bike Share Station	75,000
Business Professional Occupational License Tax Relief	40,000
Job Training and Recruitment Assistance	3,100,000

If, by the Subsequent Performance Date, the aggregate value of the Locality-level incentives provided, offered, or committed by the Locality to the Company total less than the \$4,000,000 COF Grant local match requirement (the shortfall between that value and \$4,000,000 being the "Difference"), the Locality, subject to appropriation, will make a grant, or will provide additional in-kind services, either or both, in the Locality's discretion, to the Company of the proportional value of the Difference at the Subsequent Performance Date calculated based 50% on the percentage of Capital Investment made as of the Initial Performance Date compared to the \$8,170,000 Capital Investment Target and 50% on the percentage of New Jobs Maintained as of the Subsequent Performance Date compared to the 732 New Jobs Target, provided that if either percentage is 90% or higher, the Company shall be deemed to have fully met that respective Target.

Notwithstanding the foregoing, the Company and VEDP acknowledge and agree that the value of the Locality-level incentives in the amounts set forth above is based upon the availability of the incentives to the Company, all as more particularly described below. The Company and VEDP further acknowledge and agree that so long as such incentives are made available to the Company, the Locality shall be deemed to have met its obligations related thereto and met its local match requirement in the amount corresponding thereto, regardless of whether the Company avails itself of any particular incentive, in whole or in part.

The "Local Enterprise Zone Incentives" and "Business Professional Occupational License Tax Relief" incentives are based on the assumption that the Company will apply, and qualify, for the incentives and relief for which it is eligible. If the Company neglects to properly apply for the incentives and relief for which it is eligible then for the purposes of meeting its local match requirement under this Agreement, the Locality shall be deemed to have provided the incentives in the corresponding amounts set forth above.

The Locality may provide the "Public Transportation Connectivity" incentive by working with the local transit operator to locate a local bus stop within reasonable proximity of the Facility. Notwithstanding the actual cost to the Locality and the actual use of the transit service by the Company, the Company and VEDP acknowledge that the value of the such connectivity is the corresponding amount set forth above and that, for the purposes of meeting its local match requirement under this Agreement, the Locality shall be deemed to have provided the incentive in the corresponding amount set forth above.

The Locality may provide the "Installation of Bike Share Station" incentive by installing a bike share station, if requested by the Company, within a reasonable proximity of the Facility. Notwithstanding the actual cost to the Locality and the actual use of the bike share station by the Company, the Company and VEDP acknowledge that the value of such incentive is the corresponding amount set forth above and that, for the purposes of meeting its local match requirement under this Agreement, the Locality shall be deemed to have provided the incentive in the corresponding amount set forth above. Moreover, if the Company does not so request by the Subsequent Performance Date then the Locality shall be deemed to have provided the incentive in the corresponding amount set forth above.

The Locality may provide the "Job Training and Recruitment Assistance" incentive by offering to work collaboratively with the Company to help meet its workforce needs, through the Locality's Center for Workforce Innovation or otherwise, including, but not limited to, the following:

- Serving as a facilitator to connect qualified job seekers with the Company.
- Conducting a workforce needs assessment built upon the Company's job descriptions and hiring criteria.
- Providing workplace readiness and technical job skills training.
- Holding recruitment events including on or off-site job fairs.

Notwithstanding the actual cost to the Locality and the actual use of the job training and recruitment assistance by the Company, the Company and VEDP acknowledge that the value of the availability of such job training and assistance is the corresponding amount set forth above and that for the purposes of meeting its local match requirement under this Agreement, the Locality shall be deemed to have provided the incentive in the corresponding amount set forth above.

The proceeds of the Locality's Enterprise Zone Incentives may be used by the Company for any lawful purpose. The Public Transportation Connectivity and Bike Share Station will enhance transportation opportunities for the Company's employees. The Business Professional

Occupational License Tax Relief will serve as an offset to license taxes that may be owed by the Company. The Job Training and Recruitment Assistance will assist the Company with the recruitment and training of its employees.

(c) *Additional Incentives:* The COF Grant is in addition to, and not mutually exclusive of, any other incentives or benefits for which the Company may be eligible or to which it may be entitled. Attached hereto as Exhibit 2 is Virginia's Financial Offer, dated October 14, 2016 and the Workforce Incentive Package Project SuperNova from the Locality's Center for Workforce Innovation (together, the "Proposals"), which summarize certain state-level and locality-level incentives or benefits for which the Company may be eligible or to which it may be entitled. The Proposals are attached for informational purposes only. The ability of the Company to access any of the incentives or benefits will depend upon its performance and its adherence to the procedures and guidelines of the entities administering those incentives or benefits. This Agreement relates solely to the COF Grant and to no other incentives or benefits.

Section 5. Repayment Obligation.

(a) *If Statutory Minimum Eligibility Requirements are Not Met:* Section 2.2-115 of the Virginia Code requires that the Company make a Capital Investment of at least \$1,500,000 in the Facility and create and Maintain at least 15 New Jobs at the Facility in order to be eligible for the COF Grant. Failure by the Company to meet either of these statutory minimum eligibility requirements by the Initial Performance Date shall constitute a breach of this Agreement and the Company must repay to VEDP all of the COF Grant proceeds previously disbursed to the Company. In such event, VEDP will redeposit to the Commonwealth's Development Opportunity Fund such repaid proceeds plus any COF Grant proceeds not previously disbursed to the Company and such proceeds will no longer be available for disbursement to the Company under this Agreement.

(b) *Allocation of COF Proceeds:* For purposes of repayment under subsections (c) and (d), the COF Grant is to be allocated as 50% (up to \$2,000,000) for the Company's Capital Investment Target, and 50% (up to \$2,000,000) for the Company's New Jobs Target.

(c) *If Statutory Minimum Eligibility Requirements are Met (Measurement at Initial Performance Date):* The provisions of this subsection (c) shall become applicable only if the Company has met the statutory minimum eligibility requirements set forth in subsection (a). Except as noted in subsection (d) below, if the Company has met at least ninety percent (90%) of both of the Targets at the Initial Performance Date, then and thereafter the Company is no longer obligated to repay any portion the COF Grant.

The Company will have an obligation to repay to VEDP a portion of the COF Grant allocated to the Capital Investment Target if, as of the Initial Performance Date, the amount of Capital Investment is less than \$7,353,000 (90% of \$8,170,000) and the amount of the repayment shall be proportional to the shortfall below the Capital Investment Target of \$8,170,000. For example, if as of the Initial Performance Date, the Company has received \$3,000,000 of the COF Grant proceeds, and the Capital Investment made by or on behalf of the Company as of the Initial Performance Date is \$4,902,000 (60% of the Capital Investment Target), the Company shall repay

to VEDP 40% of the COF Grant proceeds that it received allocated to the Capital Investment Target or \$600,000 ($\$3,000,000 \div 2 = \$1,500,000 \times .4 = \$600,000$).

The Company will have an obligation to repay to VEDP a portion of the COF Grant allocated to the New Jobs Target if, as of the Initial Performance Date, the number of New Jobs created and Maintained is less than the number of New Jobs for which the Company received a disbursement of COF Grant proceeds, as described in Section 3(b), but only if the number of New Jobs Maintained is less than 659 New Jobs (90% of 732 New Jobs). The amount of any such repayment shall be proportional to the shortfall below the number of New Jobs for which the Company received a disbursement of COF Grant proceeds (which number shall be 732 New Jobs if the Company has received all of the COF Grant proceeds). For example, if as of the Initial Performance Date, the Company has received a disbursement of COF Grant proceeds with respect to 549 New Jobs, but only 366 New Jobs have been Maintained as of the Initial Performance Date (reflecting a reduction of 183 New Jobs), the Company shall repay to VEDP \$499,956 ($\$5,464 \div 2 = \$2,732 \times 183 = \$499,956$).

In either such event, VEDP will redeposit to the Commonwealth's Development Opportunity Fund such repaid proceeds plus any COF Grant proceeds not previously disbursed to the Company and such proceeds will no longer be available for disbursement to the Company under this Agreement.

(d) *Further Performance Target for the Maintenance of the New Jobs (Measurement at Subsequent Performance Date)*: The provisions of this subsection (d) shall become applicable only if the Company had no repayment obligation under subsection (a) above or under subsection (c) above as to the New Jobs Target. In such event, the Company may still have a repayment obligation for the portion of the COF Grant allocated to the New Jobs Target if it has not Maintained the Initial New Jobs from the Initial Performance Date through the Subsequent Performance Date, but only if the number of New Jobs Maintained is less than 659 (90% of 732 New Jobs). The amount of any such repayment shall be proportional to the shortfall below the number of Initial New Jobs.

For example, if the Initial New Jobs was 732, but only 586 New Jobs have been Maintained as of the Subsequent Performance Date (reflecting a reduction of 146 New Jobs), the Company shall repay to VEDP \$398,872 ($\$5,464 \div 2 = \$2,732 \times 146 = \$398,872$). In such event, VEDP will redeposit to the Commonwealth's Development Opportunity Fund such repaid proceeds.

For another example, if the Initial New Jobs was 732, but only 660 New Jobs have been Maintained as of the Subsequent Performance Date, reflecting a reduction of 72 New Jobs, but being in excess of 659 New Jobs, no repayment will be due from the Company.

For another example, if the Initial New Jobs was 600, but only 500 New Jobs have been Maintained as of the Subsequent Performance Date (reflecting a reduction of 100 New Jobs), the Company shall repay to VEDP \$273,200 ($\$5,464 \div 2 = \$2,732 \times 100 = \$273,200$).

(e) *Determination of Inability to Comply:* If the Authority or VEDP shall reasonably determine at any time prior to the date that the final disbursement of the COF Grant proceeds has been made (a "Determination Date") that the Company is unable or unwilling to meet and Maintain its Targets by and through the Initial Performance Date, and if the Authority or VEDP shall have promptly notified the Company of such determination, the Company must repay to VEDP all of the COF Grant proceeds previously disbursed to the Company. In such event, VEDP will redeposit to the Commonwealth's Development Opportunity Fund such repaid proceeds plus any COF Grant proceeds not previously disbursed to the Company and such proceeds will no longer be available for disbursement to the Company under this Agreement. Such a determination will be based on such circumstances as a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an abandonment of the Facility by the Company or other similar significant event that demonstrates the Company will be unable or is unwilling to satisfy the Targets for the COF Grant.

(f) *Repayment Dates:* Any such repayment shall be due from the Company to VEDP within ninety days of the Initial Performance Date, the Subsequent Performance or the Determination Date, as applicable. Any moneys repaid by the Company to VEDP hereunder shall be promptly redeposited into the Governor's Development Opportunity Fund. The Locality and the Authority shall use their best efforts to recover such funds, including legal action for breach of this Agreement. Neither the Locality nor the Authority shall have any responsibility for the repayment of any sums payable by the Company hereunder.

Section 6. Company Reporting.

The Company shall provide, at the Company's expense, detailed verification reasonably satisfactory to the Locality, the Authority and VEDP in substantially the form attached to this Agreement as Exhibit I of the Company's progress on the Targets. Such progress reports will be provided annually, starting at April 1, 2018 and covering the period through the prior December 31. Further, the Company shall provide such progress reports at such other times as the Locality, the Authority or VEDP may reasonably require. If the Company wishes to count as New Jobs employees of contractors, to the extent permitted in the definition of "New Jobs" in Section 1, the Company is responsible for assembling the documentation necessary to verify such New Jobs, including whether such jobs are net New Jobs in the Commonwealth. If the Company wishes to count as Capital Investments the capital expenditures made on its behalf by a lessor, sublessor or a developer of the Facility, the Company is responsible for assembling the documentation necessary to verify the capital expenditures made on behalf of the Company.

With each such annual progress report, the Company shall report to VEDP the amount paid by the Company in the prior calendar year in Virginia corporate income tax. VEDP represents to the Company that it considers such information to be confidential proprietary information that is exempt from public disclosure under the Virginia Freedom of Information Act and that such information will be used by VEDP solely in calculating aggregate return on invested capital analyses for purposes of gauging the overall effectiveness of economic development incentives.

The Company hereby authorizes the Locality, including the Locality's fiscal, assessment and taxing offices, to release to VEDP the Company's real estate tax, business personal property tax and machinery and tools tax information. Such information shall be marked and considered confidential and proprietary and shall be used by VEDP solely for verifying satisfaction of the Capital Investment Target. If the Locality, including the Locality's fiscal, assessment and taxing officers, should require additional documentation or consents from the Company to access such information, the Company shall promptly provide, at the Company's expense, such additional documentation or consents as the Locality, the Authority or VEDP may reasonably request.

If requested by VEDP, the Company shall provide to VEDP copies of the Company's quarterly filings with the Virginia Employment Commission covering the period from the date of this Agreement through the Subsequent Performance Date.

Section 7. Notices.

Formal notices and communications between the Parties shall be given either by (i) personal service, (ii) delivery by a reputable document delivery service that provides a receipt showing date and time of delivery, (iii) mailing utilizing a certified or first class mail postage prepaid service of the United States Postal Service that provides a receipt showing date and time of delivery, or (iv) delivery by facsimile with transmittal confirmation and confirmation of delivery, addressed as noted below. Notices and communications personally delivered or delivered by document delivery service shall be deemed effective upon receipt. Notices and communications mailed shall be deemed effective on the second business day following deposit in the United States mail. Notices and communications delivered by facsimile shall be deemed effective the next business day, not less than 24 hours, following the date of transmittal and confirmation of delivery to the intended recipient. Such written notices and communications shall be addressed to:

if to the Company, to:

CoStar Realty Information, Inc.
1331 L Street, NW
Washington, DC 20005
Facsimile: 888.893.3504
Email: ccolligan@costar.com
Attention: Charlie Colligan, Treasurer

with a copy to:

CoStar Realty Information, Inc.
1331 L Street, NW
Washington, DC 20005
Facsimile: (202) 346-6703
Email: jcoleman@costar.com
Attention: Jonathan Coleman, General Counsel

if to the Locality, to:

City of Richmond
900 E. Broad St., Room 201
Richmond, VA 23219
Facsimile: 804.646.7970
Attention: Chief Administrative Officer

with a copy to:

City of Richmond
900 E. Broad St., Room 300
Richmond, VA 23219
Facsimile: 804.646.6653
Attention: City Attorney

if to the Authority, to:

Economic Development Authority of the City
of Richmond, Virginia
c/o City of Richmond Department of
Economic and Community Development
Main Street Station
1500 East Main Street, Suite 400
Facsimile: 804.646.6793
Attention: Chair

with a copy to:

Economic Development Authority of the City
of Richmond, Virginia
c/o City Attorney
900 E. Broad St., Room 300
Richmond, VA 23219
Facsimile: 804.646.6653
Attention: General Counsel

if to VEDP, to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Post Office Box 798 (zip: 23218-0798)
Richmond, Virginia 23219
Facsimile: 804.545.5611
Email: dgundersen@yesvirginia.org
Attention: Interim President and CEO

with a copy to:

Virginia Economic Development Partnership
One James Center, Suite 900
901 East Cary Street
Post Office Box 798 (zip: 23218-0798)
Richmond, Virginia 23219
Facsimile: 804.545.5611
Email: smcninch@yesvirginia.org
Attention: General Counsel

Section 8. Miscellaneous.

(a) *Entire Agreement; Amendments:* This Agreement (including Exhibit 1 hereto) constitutes the entire agreement among the parties hereto as to the COF Grant and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign its rights and obligations under this Agreement without the prior written consent of the Locality, the Authority and VEDP.

(b) *Governing Law; Venue:* This Agreement is made, and is intended to be performed, in the Commonwealth and shall be construed and enforced by the laws of the Commonwealth. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

(c) *Counterparts:* This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument.

(d) *Severability:* If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

(e) *Attorney's Fees:* Attorney's fees shall be paid by the party incurring such fees.

(f) *Subject to Appropriations:* Notwithstanding any provision of this Agreement to the contrary, the Locality shall be obligated to perform under this Agreement, financially and otherwise, only to the extent that sufficient funds for such performance are appropriated by the City Council for the City of Richmond, Virginia.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA

APPROVED AS TO FORM

Barbara M. Ashley
Deputy City Attorney

By _____
Name: _____
Title: _____
Date: _____, 2016

**ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF
RICHMOND, VIRGINIA**

By _____
Name: _____
Title: _____
Date: _____, 2016

**COSTAR REALTY INFORMATION,
INC.**

By _____
Name: _____
Title: _____
Date: _____, 2016

**VIRGINIA ECONOMIC
DEVELOPMENT PARTNERSHIP
AUTHORITY**

By _____
Name: _____
Title: _____
Date: _____, 2016

Exhibit 1: Form Progress Report
Exhibit 2: Proposals

PROGRESS REPORT

_____, 20__
COVERING THE PERIOD FROM _____, 20__ THROUGH _____, 20__

PARAGRAPH 4 OF THIS REPORT CONTAINS CONFIDENTIAL INFORMATION THAT IS PROTECTED FROM DISCLOSURE PURUSANT TO § 2.2-3705.6 OF FOIA

CoStar Realty Information, Inc. (the "Company") is a party to a Performance Agreement dated as of _____, 2016 (the "Agreement") among the Company, the City of Richmond, Virginia, the Economic Development Authority of the City of Richmond, Virginia, and the Virginia Economic Development Partnership Authority. Capitalized terms used, but not defined, in this Report shall have the meanings ascribed to such terms in the Agreement.

1. In the period of October 1, 2016 through _____, 20__ the Company made or caused to be made Capital Investments at the Facility of \$_____. Such Capital Investments may be itemized, as follows:

Category:	Capital Investment:
Leasehold Improvements/Tenant Build-Out	\$_____
Other Furniture, Fixtures and Equipment	_____

[FOR ANNUAL REPORTS, A REPORT FOR THE FIRST PAYMENT UNDER SECTION 3(b) AND, IF APPLICABLE, A REPORT FOR THE LAST PAYMENT UPON SUBSTANTIAL COMPLIANCE UNDER SECTION 3(b).]

[2. In the period of October 1, 2016 through December 31, 20__, the Company created and Maintained ___ New Jobs at the Facility. [FOR EACH ANNUAL REPORT.] The Average Annual Wage for the New Jobs was at least \$57,821. The Company (or the Company's contractors) provided a standard package of fringe benefits for the holders of the New Jobs. [ADD LAST TWO SENTENCES FOR A REPORT FOR THE INITIAL PERFORMANCE DATE OR SUBSEQUENT PERFORMANCE DATE.]

[2. On this date, the Company submitted to VEDP a Reimbursement Request Form for a payment to the Company under VJIP for ___ New Jobs [or, as to the final request for disbursement of COF Grant proceeds, has created and Maintained _____ New Jobs for which it has not yet received a disbursement of COF Grant proceeds]. Prior to this date, the Company has submitted to VEDP Reimbursement Request Forms for, and has received VJIP and COF Grant proceeds related to, _____ New Jobs.] [FOR A REPORT UNDER SECTION 3(b).]

[3. In the period of January 1, 20__ through December 31, 20__, the Company paid corporate income taxes to the Commonwealth in the amount of \$_____.] [FOR EACH ANNUAL REPORT.]

COSTAR REALTY INFORMATION, INC.

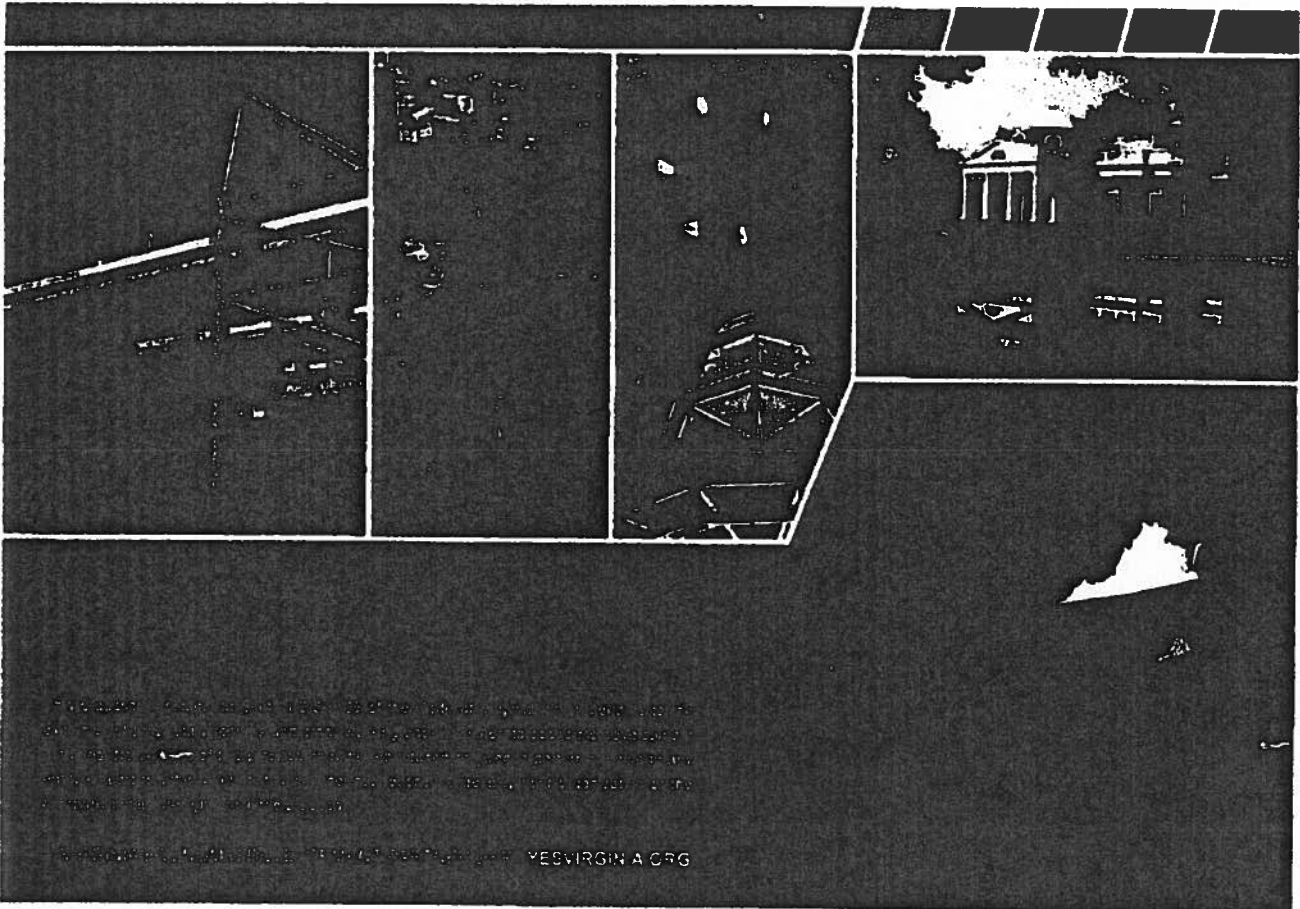
By _____
Name: _____
Title: _____



Virginia's Financial Offer

COSTAR RESEARCH

October 14, 2016



Virginia's financial offer is a result of the state's commitment to providing a high-quality education and a strong infrastructure. The state's investment in education and infrastructure is a key factor in its success as a business-friendly state.

For more information, visit www.yesvirginia.org



Contents

- 1 Executive Summary**
- 2 Virginia's Financial Offer**
- 3 Explanation of Potential Benefits**
- 8 Say Yes to Virginia**
- 9 Attachment: City of Richmond's Financial Offer**



Executive Summary

The Commonwealth of Virginia is responding to CoStar Group's request for possible incentives to locate its operations in the City of Richmond. As a leading provider of information, analytics and marketing services to the commercial real estate industry, CoStar will find a Virginia location offers the business-first values necessary to succeed. Access to global markets, stable operating costs, and a diverse and educated workforce make it easy for companies of all sizes to succeed in our state. Virginia will offer CoStar a premier and cost effective business location allowing the company to recruit a highly skilled workforce to provide superior customer service to its users. We are committed to creating a new Virginia economy, and the following pages will underscore why CoStar should choose Virginia as its business destination.

CoStar: Calling Richmond, Virginia Home

Virginia's businesses recognize the value of our high-quality workforce, robust economy, strong education system, smart regulatory environment, and excellent quality of life. These critical business factors, coupled with a strong partnership with our localities, cement Virginia's reputation as a leading state for business today and into the future.

- **A strategic east coast location—Virginia's central location on the U.S. East Coast makes it possible to reach approximately 55 percent of the U.S. population within a 750-mile radius.**
- **Low business taxes—Virginia offers stable, low tax costs for corporations, including the benefits of no franchise tax or net-worth tax; a modest 5.3% sales tax in the City of Richmond, with a broad range of exemptions, and a 6.0% corporate income tax rate that has not changed since 1972.**
- **Flexible labor laws—Virginia is a right-to-work state and preserves excellent labor relations keeping labor costs very competitive.**
- **Streamlining permitting processes—Virginia and its communities are committed to working with businesses to ensure efficient, streamlined building and environmental permitting.**



Virginia's Financial Offer

PROJECT ASSUMPTIONS (2017-2019)

Net, New Employment	732
Capital Investment in Business Personal Property	\$8,170,000
TOTAL QUALIFYING CAPITAL INVESTMENT	\$8,170,000

*Assumes all jobs are new permanent full-time jobs with standard fringe benefits created in the Commonwealth of Virginia by the Company and maintained on the Company's payroll on an ongoing basis.

ESTIMATED INCENTIVES POTENTIALLY AVAILABLE

Commonwealth's Opportunity Fund	\$4,000,000
Enterprise Zone Job Creation Grant (up to)	\$1,400,000
Major Business Facility Job Tax Credit	\$831,000
TOTAL STATE AND LOCAL FINANCIAL OFFER	\$10,563,000

PROJECT HIGHLIGHTS

- Virginia's offer assumes that CoStar will locate its operations in the City of Richmond
- Total Net, New Employment is 732
- Total Capital Investment is \$8,170,000
- Total state and local incentives potentially available for CoStar in the City of Richmond are \$10,563,000

Important Notice: This summary is intended to assist CoStar with an evaluation of Virginia's incentives. This summary should be used for evaluative purposes and in no way constitutes a commitment or guarantee. The actual value and/or availability of these incentives are contingent upon final negotiations among the Commonwealth, the City of Richmond, and CoStar Group. Further, on an ongoing basis, incentives are subject to appropriation by the Virginia General Assembly and incentive and tax programs are subject to change or elimination.

Virginia's incentives are performance-based and calculations are based upon the Virginia Economic Development Partnership's interpretation of Virginia law as of October 2016 and upon company projections. The financial offerings in the package are valid until March 30, 2016 unless expressly renewed by the Virginia Economic Development Partnership. Any public disclosure concerning this project must be coordinated and publicly announced first by the Office of the Governor in order to take full advantage of these assistance programs.



Explanation of Benefits

Commonwealth's Opportunity Fund

The Commonwealth's Opportunity Fund (COF) is Virginia's "deal closing" discretionary grant. The COF is used as a financial incentive for business opportunities resulting in significant job creation and investment once one Virginia locality has been selected by the company.

COMMONWEALTH'S OPPORTUNITY FUND

\$4,000,000

Virginia is proposing a \$4,000,000 COF award for CoStar to locate in the City of Richmond. These funds will flow from the Commonwealth through the locality and then to the company to be used for training.

36 MONTH PERFORMANCE METRICS

The performance agreement will document the below milestones and maintenance of the jobs and investment associated with this project.

- \$8.17 million investment
- 732 net, new jobs
- \$57,821 average annual salary (W-2 wages)

COF AWARD ISSUANCE

COF funds will be released on a per employee basis based upon VJIP reimbursement requests.

Program Highlights

- Grant managed through VEDP and generally available in first year of the project
- 51% or more of the facility's revenue is generated outside of the Commonwealth
- Minimum investment, employment and wage threshold to be met within 36 months
- Considering another state or country for the project
- Funds flow from the state to the locality to offset qualifying, project-related costs, typically real estate and infrastructure improvements
- Community requests and matches the grant
- Signed performance agreement
- Public announcement by the Governor

Grant Determinations

- Project location
- 100% local match
- Eligible project expenditures
- Other state incentives offered
- Return-on-investment analysis
- Final approval by the Governor

[Full Details of COF](#)



Virginia Jobs Investment Program

The Virginia Jobs Investment Program (VJIP) provides services and funding to new or expanding companies to reduce human resource development costs. In addition to cash reimbursements for qualified training, VJIP also offers human resources consulting services at no cost to CoStar.

VJIP NEW JOBS AWARD

\$1,000 per job

Virginia is proposing a reimbursement grant of \$1,000 per employee from VJIP's New Jobs Program. \$732,000 is available to the company based upon the 732 jobs, skill sets, and salary outlined by CoStar in the first three years of operations.

VJIP Consulting Services Include

- Guidance with recruitment and selection
- Review of job descriptions and employment ads
- Coordination with other state and local training partners
- Assistance with pre-employment assessment programs
- Evaluation of specific training needs

Program Highlights

- Per job cash grant and free consulting services
- 51% or more of the facility's revenue generated outside of the Commonwealth
- Considering another state or country for the project
- Create 25 new jobs within 12 months from the date of the first hire
- Capital investment of at least \$1 million
- Pay an entry-level wage of at least \$9.79 per hour
- Reimbursements are issued 90 days after employee has been on the payroll

[Full Details of VJIP](#)



Enterprise Zone Incentives

The Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development (DHCD), assists with business development and expansion in specially targeted areas throughout the state called Enterprise Zones.

ENTERPRISE ZONE JOB CREATION GRANT

\$1,400,000

Based upon CoStar's job creation and salaries, the company may earn Enterprise Zone Job Creation cash grants of up to \$1,400,000

Job Creation Grant

- Requires a four-job threshold to establish a five-year grant period
- Annual cash grant of \$800 per job jobs paying \$14.50 or more; \$500 per job for jobs paying \$12.69 to \$14.49
- Available for up to 350 jobs annually
- Only full-time jobs with health benefits are eligible for the grant
- Jobs created throughout the calendar year will be pro-rated
- Companies must qualify for the grant annually and apply each year to DHCD by April 1st for jobs created in the previous calendar year
- If grant requests exceed program funding levels companies will receive a pro-rated amount
- Companies may not utilize Enterprise Zone Job Grants and Major Business Facility Job Tax Credits for the same employee

Full Details of Job Grants

ESTIMATION OF ANNUAL ENTERPRISE ZONE JOB CREATION GRANT FOR COSTAR

Calendar Year	Jobs Created*	Eligible Jobs	Grant Per Job	Total Grant Earned
2017	376	350 (max)	\$800	\$280,000
2018	300	350	\$800	\$280,000
2019	56	350	\$800	\$280,000
2020	0	350	\$800	\$280,000
2021	0	350	\$800	\$280,000
Total	732	350		\$1,400,000

*This scenario assumes all jobs are hired January 1 of each year

Enterprise Zone Incentives *(continued)*

ENTERPRISE ZONE REAL PROPERTY INVESTMENT GRANT

\$100,000

Based upon CoStar's construction investment, the company may earn the maximum Enterprise Zone Real Property Investment Grant of \$100,000.

**RPIG awards for FY 2016 were prorated at 67%*

EXAMPLES OF QUALIFYING DEPRECIABLE IMPROVEMENTS

- Site Preparation
- Demolition
- Building Construction
- Landscaping
- Paving/Driveways
- Plumbing
- Fencing
- HVAC/Fire Suppression Systems

Real Property Investment Grant

- Requires private sector investment in depreciable real property improvements
- Cash grant equal to 20% of qualified real property investments, up to program maximums, made during a five year period
- Up to \$200,000 for projects investing \$5.0 million or more in qualified real property improvements; \$100,000 grant for investments of less than \$5.0 million
- Companies apply for the grant by April 1st for the preceding calendar year in which the certificate of occupancy is issued and/or final building inspection has occurred
- If grant requests exceed program funding levels, companies will receive a pro-rated amount

[Full Details of Real Property Investment Grant](#)



Major Business Facility Job Tax Credit

Qualified companies locating or expanding in Virginia are eligible to receive a \$1,000 income tax credit for each new full-time job created over a threshold number of jobs.

MAJOR BUSINESS FACILITY JOB TAX CREDIT

\$331,000

Based upon CoStar's hiring schedule, utilization of the Enterprise Zone Job Creation Grant, and accounting for one 25-job threshold, the company may receive a tax credit of up to \$331,000 for the remaining 356 employees

Components of the Job Tax Credit:

- The \$1,000 credit is available for all qualifying jobs in excess of the threshold
- Companies locating in Enterprise Zones or economically distressed areas are required to meet a 25-job threshold in the city of Richmond
- The threshold number of jobs must be created within a 12-month period
- Taken in equal installments over two years (\$500/year)
- Unused credits may be carried over 10 years
- Companies may not utilize Enterprise Zone Job Grants and Major Business Facility Job Tax Credits or the International Trade Facility Tax Credit for the same employee

[Full Details of Major Business Facility Job Tax Credit](#)

EXAMPLE OF MBFJTC SCENARIO FOR COSTAR

	Credit Window		
	2018	2019	Total
New Jobs Created	300	56	356
MBFJTC Threshold	-25		-25
Net Jobs Eligible for MBFJTC	275	56	331
Value of MBFJTC per Job	\$1,000	\$1,000	\$1,000
Estimated Value of MBFJTC	\$275,000	\$56,000	\$331,000

**This scenario assumes all jobs are hired January 1 of each year. 2017 was not presented due to lack of eligible jobs after accounting for those taken by the Enterprise Zone Job Creation Grant*



Say Yes to Virginia

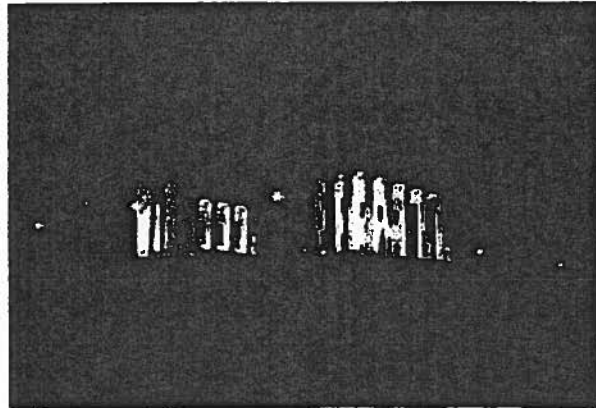
Virginia is the Best State for Business

Only a few locations can guarantee the right combination of resources that are crucial to the success of your business. Virginia is such a place. The Commonwealth of Virginia offers a unique combination of assets that have encouraged businesses to prosper within its borders for nearly 400 years.

A multitude of factors contribute to Virginia's pro-business climate. The Commonwealth strives to maintain traditions of sound and enviable fiscal management. Virginia provides recruitment training programs to help new businesses become operational faster, a streamlined permitting process, and programs to help businesses increase international sales – all so that new and growing businesses can experience unparalleled levels of success. The Commonwealth's status as a right-to-work state, as well as low workers' compensation costs and low unemployment tax rates, support the pro-business environment.

These advantageous attributes, coupled with many other noteworthy characteristics including a strategic location, highly skilled and productive labor force and an excellent quality of life, make the Commonwealth the ideal location for your growing business.

We invite CoStar to discover all the reasons companies from all over the globe keep saying Yes to a Virginia business location.



Reasons Why Businesses Keep Saying YES to Virginia



Business-first values



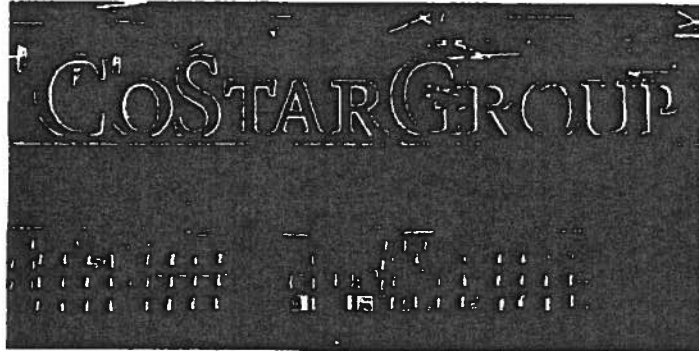
Easy access to domestic and global markets



Stable and competitive operating costs



Talented and educated workforce



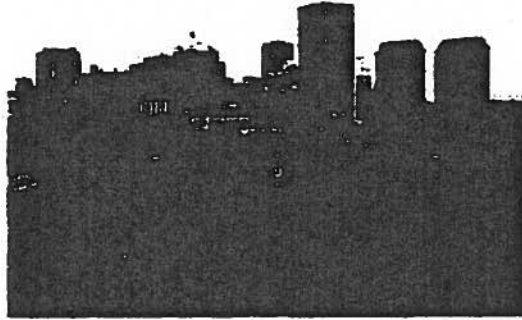
INCENTIVES PROPOSAL FOR COSTAR
PRESENTED ON BEHALF OF THE CITY OF RICHMOND, VIRGINIA
OCTOBER 14, 2016

On behalf of the City of Richmond, we are pleased to present the following incentive proposal to CoStar Group. Based on the Project Parameters provided below and projected investments stated by the Company, CoStar Group would potentially be eligible for the following local incentives. Any contractual or financial proposals made to companies are subject to approval by the Richmond City Council and the appropriation of available funds. Local incentive grants are also performance-based and require a Performance Agreement. The Commonwealth of Virginia will provide information on State incentives that will be offered.

PROJECT PARAMETERS:

1. **Type of Business:** Real estate research firm that provides comprehensive research of commercial real estate data by various means including surveying participants in the commercial real estate marketplace and using technological methods of researching this data.
2. **Facility Type:** Office
3. **Employees:** (732 FTE's)
4. **Weighted Average Annual Salary** \$57,821 (includes bonus)
5. **Business Personal Property Investment:** \$ 5.22 million
6. **Real Estate Investment:** \$2.95 million in tenant improvements
7. **Leased Office Space:** Approximately 100,000 sq. ft.





CITY OF RICHMOND ENTERPRISE ZONE INCENTIVES:

The proposed site is located within a City of Richmond/State of Virginia Enterprise Zone. CoStar Group may be eligible for local Enterprise Zone benefits. A summary of local City of Richmond incentives that are applicable to CoStar Group is listed below. The Commonwealth of Virginia offers a number of additional Enterprise Zone programs and incentives, which will be addressed in the proposal submitted by the Virginia Economic Development Partnership.

Business Relocation Rebate: A one-time award reimbursement equivalent to fifty percent (50%) of eligible physical relocation expenditures up to a maximum of \$10,000. The incentive must be applied for within nine months of the move-in date.

Development Fee Rebate: A one-time permit fee rebate for permits associated with the renovation or construction of commercial and industrial facilities dollar for dollar up to a maximum of \$3,000. A minimum of \$20,000 must be invested in the rehabilitated or new structure within the past 12 months. Applicant must apply within nine (9) months of obtaining the Certificate of Occupancy or equivalent documents.

Machinery and Equipment Rebate: The Company can apply for a fifty percent (50%) rebate toward the purchase of new or used specialized (unique to the company) machinery or equipment up to a maximum of \$5,000. Software specially designed for and purchased by a company to carry out their special mission may also be eligible. The applicant may apply once per year for this incentive for any newly acquired and eligible equipment each year. The total value of this incentive over a 5 year period is \$25,000





PUBLIC TRANSIT AND BRT CONNECTIVITY

The City of Richmond and the region has grown and changed dramatically in the last 50 years, but its bus system has changed only incrementally over that time. However, the City of Richmond and Henrico County, in collaboration with the GRTC and the Commonwealth of Virginia have advanced the construction of the Pulse Bus Rapid Transit (BRT) system. The Pulse is a modern, high quality, high capacity rapid transit system that will serve a 7.6 mile route along Broad Street and Main Street from Rocketts Landing to Willow Lawn. There will be 14 station locations with 10-minute peak and 15-minute off peak service. The Pulse is expected to be in operation by October 2017. In addition, the City and GRTC have embarked on a redesign of the current local bus network known as the Richmond Transit Network Plan (RTNP). The objective of the RTNP is as follows:

- Ensure the City's transit system corresponds to the city's values and priorities
- Provide a "blueprint" for the city's transit system
- Create seamless connections to the Pulse BRT and throughout the system
- Support existing and future land use patterns and economic development strategies

The connectivity and increase in reliable public transportation service throughout the City will provide existing and new riders with a viable mode of public transportation. Over the coming weeks, the City will work to develop the recommended transit network plan in a manner that will provide Co-Star employees with connectivity to the Pulse BRT and a reliable public transportation system.

The transit service that is anticipated to be available to the Co-Star employees will be in the range of 15 minute to 30 minute service. We will work with the transit operator to locate a GRTC local bus stop that is accessible and within close proximity to the Co-Star office space. The estimated value of access to reliable public transportation and connectivity to the Pulse BRT: \$150,000 annually and \$750,000 over five years.





RIDEFINDERS

Through RideFinders, a federal tax incentive program is available for employers and/or employees to subsidize either partially or in full the cost of transit fare up to \$245 a month per employee. There are two ways the federal tax incentive program works:

- If businesses choose to subsidize transit passes for their employee (either in full or partially), they can deduct the total amount subsidized for each employee from their federal payroll tax up to \$245 a month per person.
- If the business chooses not to subsidize the transit passes for their employees, the employee can still benefit by having the amount up to \$245 a month as a pre-tax amount on their paycheck.

In order to minimize the upfront work for employers and employees, RideFinders assists by marketing the transit pass tax incentive program and enrolling employees into the program. Additional information about this program can be found at www.ridefinders.com



RICHMOND BIKE SHARE

An additional mode of alternative transportation in the City is a bike share program with stations located throughout downtown. The Bike Share is a public system of bikes and stations where the bikes may be quickly checked in/out with the swipe of a card or a smart phone. Think of it as bike transit, often used for short trips, usually "utility trips" like errands, meetings, or even commuting. Bike Share also serves a "first and last mile" solution, allowing easier access to transit, negating the need for some transit transfers, and extending the effective range of transit. Upon request by the company, the City will install a Bike Share station within one block of its chosen location. Estimated total value of a Bike Share Station: \$75,000





LOCAL JOB TRAINING AND RECRUITMENT:

The Commonwealth of Virginia offers a number of Workforce and Business Assistance programs and Incentives, which will be addressed in the proposal submitted by the Virginia Economic Development Partnership.

In addition to the programs and incentives offered by the state, the City of Richmond Center for Workforce Innovation (CWI) will work collaboratively with the Company to help meet its workforce needs with a mutual goal of creating jobs and career opportunities for City of Richmond residents. CWI will assist with initial hiring and establish an ongoing relationship to assist the company with rehiring due to attrition. The CWI serves as a facilitator to connect qualified job seekers with the company. The CWI conducts a workforce needs assessment built upon the company's job descriptions and hiring criteria. Building from the needs assessment, CWI develops a customized Strategic Staffing Plan creating career pathways that develop the competency sets for the positions the company is seeking to staff. This program is called the Richmond Workforce Pipeline and entails the following elements:

- 1. Screening /Assessment**
- 2. Workplace readiness and technical job skills training**
- 3. A targeted interview process**
- 4. Transition to Full Employment for those individuals who successfully satisfy the hiring requirements and probationary period**
- 5. Recruitment events including on or off-site Job Fairs**

Each pathway is tailored to the needs of the employer and the prior experience, interests, and aptitudes of the individual job seeker. Those with substantial prior experience and training may not need additional services while others may require a longer pathway to prepare them. This individualized approach has proven successful to both employers and job seekers alike.

The Pipeline serves as the engine that mobilizes local, regional, state and national partners and educational providers to recruit and train the workers to meet the specialized needs of the company within the overall project timeline. As an official partner of the Department of Labor regional workforce system, the CWI facilitates connections with our local and regional partners



such as Richmond Technical Center, Reynolds and Tyler community colleges, the Virginia Employment Commission, and others who collaborate to recruit, screen, and train a pool of qualified applicants.

The following are examples of the training and credentialing included in the Pipeline:

- Customer Service Certification
- OSHA 10 Certification
- National Red Cross First Aid and CPR Certification
- Customized Occupational Skills training, as requested by the company

CWI offers the Workforce Professionals Course that focuses on customer service training. The Workforce Professional Training course is designed to provide program participants with the tools needed to enter or rejoin the workforce in a position that overtime can lead to a career, upward mobility and a living wage. The specific training can lead to positions in the various fields including Customer Service, Office Clerk, Hospitality or Retail Sales.

Over the course of three months, participants with little to no knowledge of today's changing workplace can gain skills needed to excel in their chosen work environment. By building this program around competencies that are accepted and recognized by industry professionals, CWI believes the participants' opportunities to find employment in the Richmond region will increase.

The CWI Workforce Professionals' Class (WPC) is that is based on 3 conceptual themes.

- Critical Thinking
- Cultural of Learning and Work
- Employment Readiness and Job Search Tactics

The bundle of training and credentialing described above is then complimented with paid work experience that gives essential hands on experience to the job seekers. This combination of training, credentialing, and work experience is a proven process that yields business success.

Partnerships

The Center for Workforce innovation partners with various partners to ensure businesses have a diverse applicant pool. CWI partners with programs serving veterans and military personnel who are near the end of their service period to connect businesses with veterans. The center also partners with various educational institutions including Reynolds Community College, John Tyler Community College, the Community College Workforce Alliance, Virginia Commonwealth University, University of Richmond, and Virginia State University.

Rapid Response/Warn Notices

The Office of Community Wealth Building Center for Workforce Innovation partners with the Central Virginia Rapid Response program to assist businesses with layoff and layoff aversion. The Central Virginia Rapid Response program is the gateway to coordinated services for businesses and employees facing layoffs or business closures.



Rapid Response is a federally-funded program that provides states with the resources to provide assistance to businesses and employees during times of layoffs or business closure. The team provides connections between employees facing lay-off through Warn Notices and businesses that are hiring employees with similar skills and experience.

Affirmative Action Plan

The Office of Community Wealth Building (OCWB) is committed to assisting businesses with hiring a diverse workforce with similar demographics to the City of Richmond. We fully anticipate exceeding the goal of hiring a diverse workforce. The OCWB will assist with development of an affirmative action plan.

The City is prepared to provide up to \$3,100,000 million in workforce training services, as described above, to CoStar





FAST TRACK APPROVAL PROCESS:

All required approval processes related to zoning and permitting issues will receive the utmost priority from city staff who will be assigned to CoStar Group as a resource throughout the construction and approvals process.

BUSINESS PROFESSIONAL OCCUPATIONAL LICENSE TAX RELIEF:

Richmond City Council adopted an Ordinance that exempts new companies and businesses that relocate to the city from paying gross receipts taxes, also known as the BPOL tax, for their first two years of operation. Based on the information provided by CoStar, the estimated value of this benefit is up to \$40,000 for the first two years of operation.

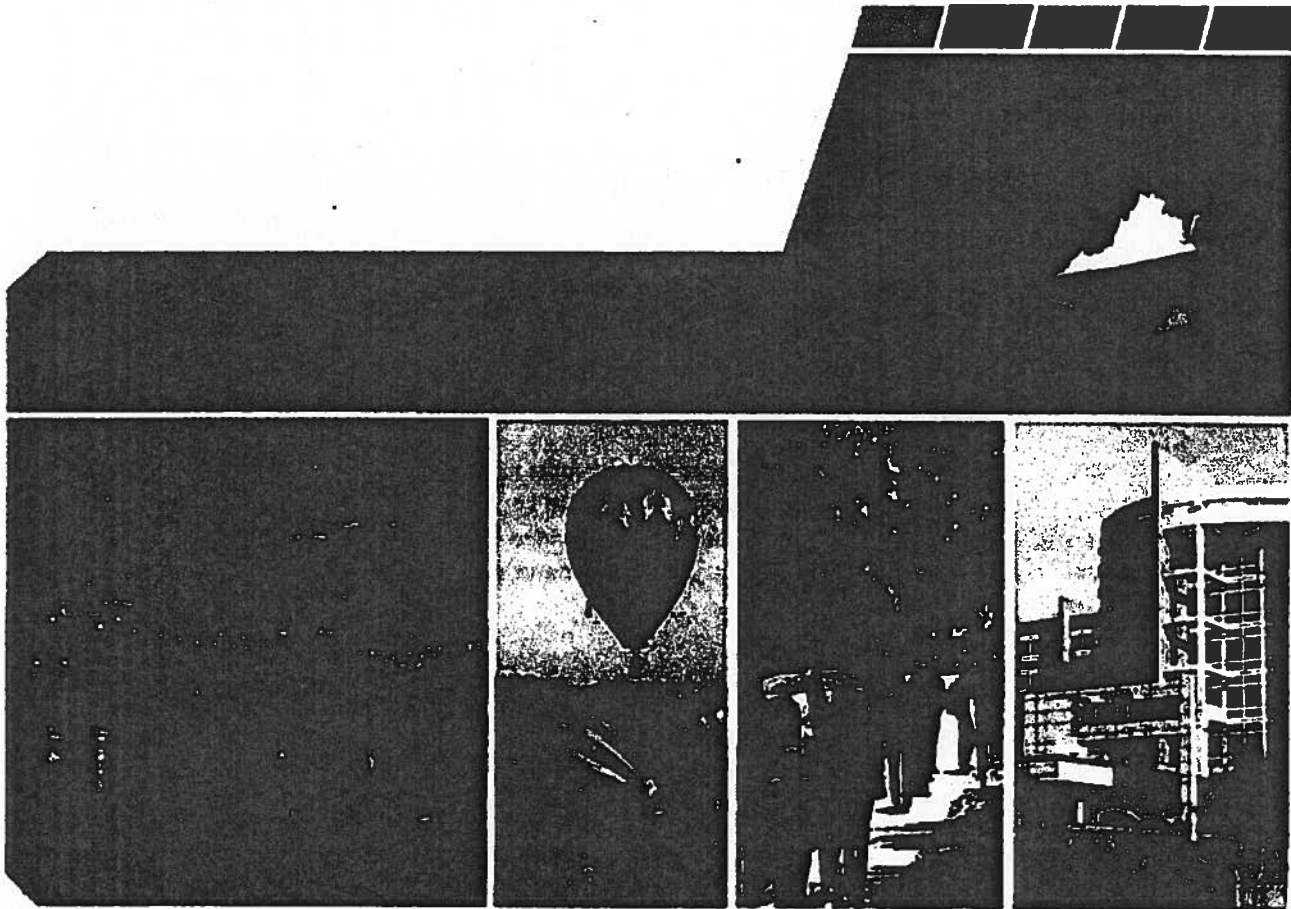
The above proposal is non-binding and is based on the information provided by the company thus far. All discretionary incentives are subject to a review and approval of the Company's audited financial statements by the City and the Company meeting the qualifying criteria of each incentive. A Performance Agreement by and between the Company and the City will memorialize the final agreement between the parties and must be approved by City Council. This proposal shall expire on November 1, 2016, unless otherwise extended by agreement by the parties.



Contact

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Office of Community Wealth Building – Center for Workforce Innovation

Workforce Incentive Package Project SuperNova

The Commonwealth of Virginia offers a number of Workforce and Business Assistance programs and incentives, which will be addressed in the proposal submitted by the Virginia Economic Development Partnership.

OVERVIEW

In addition to the programs and incentives offered by the state, the City of Richmond Center for Workforce Innovation (CWI) will work collaboratively with the Company to help meet its workforce needs with a mutual goal of creating jobs and career opportunities for City of Richmond residents. CWI will assist with initial hiring and establish an ongoing relationship to assist the company with rehiring due to attrition. The CWI serves as a facilitator to connect qualified job seekers with the company. The CWI conducts a workforce needs assessment built upon the company's job descriptions and hiring criteria. Building from the needs assessment, CWI develops a customized Strategic Staffing Plan creating career pathways that develop the competency sets for the positions the company is seeking to staff. This program is called the Richmond Workforce Pipeline and entails the following elements:

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Each pathway is tailored to the needs of the employer and the prior experience, interests, and aptitudes of the individual job seeker. Those with substantial prior experience and training may not need additional services while others may require a longer pathway to prepare them. This individualized approach has proven successful to both employers and job seekers alike.

The Pipeline serves as the engine that mobilizes local, regional, state and national partners and educational providers to recruit and train the workers to meet the specialized needs of the company within the overall project timeline. As an official partner of the Department of Labor regional workforce system, the CWI facilitates connections with our local and regional partners such as Richmond Technical Center, Reynolds and Tyler community colleges, the Virginia Employment Commission, and others who collaborate to recruit, screen, and train a pool of qualified applicants.

The following are examples of the training and credentialing included in the Pipeline:

- Customer Service Certification**
- OSHA 10 Certification**
- National Red Cross First Aid and CPR Certification**
- Customized Occupational Skills training, as requested by the company**

WORKFORCE PROFESSIONALS COURSE

CWI offers the Workforce Professionals Course that focuses on customer service training. The Workforce Professional Training course is designed to provide program participants with the tools needed to enter or rejoin the workforce in a position that overtime can lead to a career, upward mobility and a living wage. The specific training can lead to positions in the various fields including Customer Service, Office Clerk, Hospitality or Retail Sales.

Over the course of three months, participants with little to no knowledge of today's changing workplace can gain skills needed to excel in their chosen work environment. By building this program around competencies that are accepted and recognized by industry professionals, CWI believes the participants' opportunities to find employment in the Richmond region will increase.

The CWI Workforce Professionals' Class (WPC) is that is based on 3 conceptual themes.

- Critical Thinking
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The bundle of training and credentialing described above is then complimented with paid work experience that gives essential hands on experience to the job seekers. This combination of training, credentialing, and work experience is a proven process that yields business success.

BUSINESS SOLUTIONS TEAM/PARTNERSHIPS

CWI is a partner on the Business Solutions Team in the Richmond Area. Business Services is a cooperative effort between multiple partner agencies. Our goal is to ensure that business works for companies in Richmond by offering employee recruiting, training, retention and consulting services to local businesses.

Our greatest strength is our ability to serve as a true one-stop access point to the myriad of business development services that are available from both us and our partners. We free businesses from the hassles of identifying and connecting with local resources so that employers can focus on their businesses. Business services include:

1) Recruiting and Screening Services

- Advertise Your Job Openings
- Screen Applicants
- Conduct Recruitment events onsite and offsite
- Conduct Targeted Recruitments/Job Fairs

2) Employee Development/Retention Services

- Provide Training
- Provide Financial Literacy Workshops
- Provide Assessment

3) Business Information (Consultative and Planning) Services

- Provide LMI Research
- Outplacement Assistance

The Center for Workforce Innovation and Business Solutions Team partners with various partners to ensure businesses has a diverse applicant pool. Some of our partners include the local workforce development board, federally funded workforce centers, Goodwill Industries, Department of Aging and Rehabilitative Services, Virginia Employment Commission, United Way, AARP, and Community College Workforce Alliance. We also partner with programs serving veterans and military personnel who are near the end of their service period to connect businesses with veterans including Fort Lee. Our educational partners include Reynolds Community College, John Tyler Community College, the Community College Workforce Alliance, Virginia Commonwealth University, University of Richmond, and Virginia State University.

Rapid Response/Warn Notices

The Office of Community Wealth Building Center for Workforce Innovation partners with the Central Virginia Rapid Response program to assist businesses with layoff and layoff aversion. The Central Virginia Rapid Response program is the gateway to coordinated services for businesses and employees facing layoffs or business closures.

Rapid Response is a federally-funded program that provides states with the resources to provide assistance to businesses and employees during times of layoffs or business closure. The team provides connections between employees facing lay-off through Warn Notices and businesses that are hiring employees with similar skills and experience.

AFFIRMATIVE ACTION PLAN

The Office of Community Wealth Building (OCWB) is committed to assisting businesses with hiring a diverse workforce with similar demographics to the City of Richmond. We fully anticipating exceeding the goal of hiring a diverse workforce. The OCWB will assist with development of an affirmative action plan.

ON-THE-JOB TRAINING AND WORK EXPERIENCE DESCRIPTION

Work experiences and on-the-job training services are limited to participants who need named services to obtain employment and individuals who are enrolled with the Center for Workforce Innovation. Typically these services are for individuals who are unemployed or underemployed with a wage below the current living wage. Individual need is determined through an assessment process that includes an interview with staff reviewing knowledge, skills, and abilities and formal computerized assessment. We currently utilize the CASAS assessment tool. All participants who participate in Work experience and OJT will receive transportation assistance.

Eligibility

City of Richmond residents who are unemployed or underemployed with a wage below the current living wage (\$11.66) are eligible for OJT and work experience services.

A more detailed description of both services is noted below.

On-the-Job Training (OJT)

Description

On-the-Job Training (OJT) is primarily designed to provide a participant with the knowledge and skills necessary for the full performance of the job. OJT is a critical tool that can help jobseekers enter into successful employment. The term "on-the-job training" means training by a business that is provided to a paid participant while engaged in productive work in a job that:

1. Provides knowledge or skills essential to the full and adequate performance of the job;
2. Provides reimbursement to the business of up to a percentage of the wage rate of the participant for the extraordinary costs of providing the training and additional supervision related to the training; and
3. Is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate. OJT can be offered for up to three months.

Contract Information (Information below is detailed in all OJT contracts)

Purpose

This contract describes each party's role in providing on-the-job training and subsequent permanent employment to qualified candidates referred by CWI and accepted for employment by the Employer. An individual referred and accepted for employment by the Employer shall be called hereinafter Trainee.

Scope of Work

A. Employer's Responsibilities. The Employer shall:

1. Accept the Trainee as a bona fide employee throughout the training period, subject to compensation, payroll deductions, workers' compensation and other employee benefits, and the same written policies as the Employer's other employees. The Employer shall maintain full compliance (e.g. compensation, minimum wage, and child labor provisions, etc) with the Fair Labor Standards Act. The Employer agrees to continue the Trainee as a permanent employee upon successful completion of job training.
2. Train the Trainee, through continuous supervision, to perform the job for which the Trainee has been hired. Training shall be provided in the actual work setting and may also be provided, as appropriate and necessary in a group or classroom setting.
3. Provide a job description and training Outline that delineates the job duties for of the position being trained for and how the training will be conducted.
4. Submit to the CWI a monthly Trainee Progress Report which must accompany the invoice for reimbursement of the agreed upon portion of the training wages. Payment shall not be processed without the progress report and proper invoice.
5. Provide the Trainee with a copy of the progress report and secure the Trainee's signature on the wage record.
6. Work with the Trainee and the assigned CWI representative to resolve training issues as they arise.

7. Bill CWI at the rate specified in the Addenda Appended to this contract for the agreed upon percentage of the hourly wage for hours the Trainee worked. Reimbursement shall not be made for hours not worked. The Trainee's absences must be noted on the request for reimbursement.
8. Not bill or accept payment from the Trainee for services rendered or goods provided to the Trainee under the on-the-job training activity unless the CWI approves the goods/services and dollar amount in writing in advance.
9. Obtain the CWI's approval in writing in order to modify the on-the-job training agreement. Changes include, but are not limited to: work location, job description, progress reporting schedule, and training period.

B. CWI Workforce Center Responsibilities. CWI shall:

1. Refer applicants for consideration for employment to the Employer based on the criteria established by the Employer and CWI.
2. Present to the employer an application for employment or resume as determined by the Employer along with any additional information that will assist the Employer in selecting Trainees appropriate for the on-the-job training activity.
3. Maintain contact with the Trainee and Employer during the training period.
4. Shall assist the Employer and Trainee resolve training issues that impact on the success of the Employer and the Trainee
5. Provide any forms required for reimbursement requests and Trainee evaluations in advance to the Employer
6. Conduct onsite reviews as needed to determine if the training program is meeting the needs of the Employer.

General Terms and Conditions

A. Contingency of CWI Funding

1. It is understood and agreed that:
 - a. CWI's ability to satisfy financial obligations to the Employer is totally dependent upon the availability of funds received through grants and Contracts; and
 - b. Should funds cease to be available for the performance of this contract, the Employer shall be promptly notified or such fact by CWI and this contract shall be terminated.

Contract Modifications

1. All modifications to this contract must be in written form and shall be signed by both parties.

2. CWI may make a unilateral modification to this Contract at any time as required by the funding sources involved, the federal rules or regulations governing on-the-job training, or other constraints of law. A copy of such unilateral modification shall be given to the Employer

Reimbursements of Employer

1. The CWI shall establish an Addenda to this Contract for each Trainee selected and employed by the Employer which shall stipulate the wage rate and of the job to be filled, the maximum reimbursement amount, the job description supplied by the Employer, the agreed upon training outline, and any special provisions that may be necessary.
2. The reimbursement of wages for verified eligible trainees shall be paid on a monthly basis upon CWI's receipt of an Employer completed CWI timesheet signed by the Trainee and Employer.
3. Requests for reimbursement shall be made by the Employer on a monthly basis. Requests must be made by the 10th working day following the end of each month. Receipt of the request for reimbursement occurs after the 10th of the month, the request may not be processed for payment until the following month.
4. Reimbursement request for wages paid during CWI's fiscal year ending June 30th must estimated and be submitted no later than May 31st to be eligible for payment.
5. Reimbursement request for work hours within a calendar week is limited to forty (40) hours, and shall not include overtime wages.
6. Reimbursement may only be made for those individuals referred by CWI and accepted by the employer as employees and for whom there is a signed Addendum to this Contract.
7. The CWI hereby agrees to reimburse the Employer for not more than 50% of the Trainee's hourly wage as compensation for the costs associated with the lower productivity of Trainee and in consideration of the extraordinary costs associated with training on the job.

Termination of this Agreement

1. The Employer agrees that this contract may be terminated in whole or in part by the CWI or the Employer under the following circumstances:
 - a. When either party fails to perform under this contract according to its terms, conditions and assurances.
 - b. When funds obligated for reimbursement of the on-the-job training wages are terminated or significantly reduced
 - c. When it is in the best interest of either party to the contract to do so due to a change in circumstances.

- d. **Payments earned but not reimbursed shall be paid only to the date the termination takes effect.**

Employer Assurances and Certifications

1. **The Employer assures that no on-the-job training Trainee hired under this agreement shall be hired into or remain working in any position when any regular employee is on lay-off from the same or substantially equivalent job.**
2. **The Employer certifies that no former employees were laid off or terminated, or the work force otherwise reduced, with the intention of filling the vacancy so created by hiring an on-the-job eligible individual.**
3. **The Employer certifies that no jobs have been nor shall be created in a promotional line through this contract that will infringe in any way upon the promotional opportunities of currently employed individuals.**
4. **The Employer certifies that no current employee shall be displaced by any Trainee, including partial displacement, such as a reduction in the hours of non-overtime work, wages or employment benefits.**
5. **The Employer certifies that on-the-job training Trainees shall be hired on the same basis as similarly employed workers of the Employer, including the same working conditions, compensation, and conditions of continued employment. The payment of higher wages than is paid to workers currently in the same classification is prohibited.**
6. **The Employer certifies that it is now and will remain in compliance with all applicable local, state and federal laws, rules, and regulations which deal with or are related to any aspect of the employment of persons who perform work or are trained under this contract. Such compliance includes, but is not limited to observation and adherence to:**
 - a. **Title VI of the Civil Rights Act of 1964;**
 - b. **Section 504 of the Rehabilitation Act of 1973, as amended**
 - c. **The standards contained in the Occupational Safety and Health Standards for General Industry, inclusive of the Virginia Preface to OSHA Standards Book for General Industry.**
 - d. **The Virginia Child Labor Laws as contained in Title 40.1 Chapter 5 (Section 40.1-78 et seq.) of the Code of Virginia;**
 - e. **The Virginia Workers' Compensation Act as contained in Title 65.2 of the Code of Virginia**
 - f. **The Age Discrimination Act of 1975, as amended;**
 - g. **The American's with Disabilities Act of 1990;**
 - h. **Drug-free Workplace Requirements.**

Hold Harmless Provision

1. The Employer shall hold and save the CWI, its officers, agent and employees (collectively) "CWI" harmless from liability of any nature or kind, including costs, expenses and legal fees, for or on account of any suits or damages of any character whatsoever resulting from or arising out of injuries or damages sustained by any persons or property resulting in whole or in part from the performance or omission of any Trainee, employee, officer, agent or representative of the Employer.
2. In the event that suit shall be brought against CWI either independently or jointly with such Employer, on account of or arising out of the performance or operation of this contract, such Employer shall defend CWI in any suit at the cost of such Employer.
3. In the event of a final judgment being obtained against CWI, either independently or jointly with the Employer, then such Employer shall pay such judgment with all costs and hold CWI harmless there from.

Businesses that commit to participating in on-the-job training will commit to hiring participants upon completion. Businesses are not required to hire participants who do not complete successfully.

Work Experience

Work experience is a unique, short-term, training opportunity that provides an opportunity to build work place competencies that can lead to competitive employment. Work experiences are planned, structured learning experiences that takes place in a workplace for a limited period of time (up to three months). Work experiences are geared towards individuals that do not have a strong work history (people who have never worked or have large gaps in employment). The purpose of work experience is for participants to gain the knowledge and experience on a worksite.

Work experience objectives include, but are not limited to:

- Provide the participant with an employment experience relevant to a chosen occupational goal.
- Provide participants who have little work experience, zero work experience following occupational skills training, or have a significant gap in work history following training or having a significant gap in work history with experience with an opportunity to gain meaningful work experience that increases chances to successfully compete for unsubsidized employment opportunities.
- Provide participants with an opportunity to receive a financial stipend while learning.
- Provides participants an opportunity to develop strong work ethics and improved self-esteem.

The training site, will work with the participant to strengthen his/her existing skills and gain new skills essential for gaining and retaining employment. This will be accomplished by on-site job training, referrals to on-site and off-site workshops, and one-on-one consultation that can enhance job search skills and strengthen resume presentation. Further, participants are expected to complete all tasks and evaluation; follow the dress code and policies of the training agency; and meet the requirements of the worksite assignment.

WORKFORCE INCENTIVE FUNDING

	FY17 7/1/16 - 6/30/17	FY18 7/1/17 - 6/30/18	FY19 7/1/18 - 6/30/19	FY20 7/1/19 - 6/30/20	FY21 7/1/20 - 6/30/20
OJT and Work Experience	\$50,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00
OJT and Work Experience Transportation	\$2400.00	\$4800.00	\$4800.00	\$4800.00	\$4800.00
Business Services/ Recruitment Assistance	\$550,000.00	\$700,000.00	\$200,000.00	\$200,000.00	\$150,000.00
Training and Credentialing	\$308,920.60	\$308,920.60	\$308,920.60	\$308,920.60	\$308,920.60

- Recruitment rates are based on assistance with hiring 219 Tenant Research Associates and Administrative/Office staff.
- OJT/WE funding for subsequent years is based on City Council approval of funding.