

INTRODUCED: April 8, 2024

AN ORDINANCE No. 2024-108

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program between the City of Richmond, the Commonwealth of Virginia, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing CoStar Realty Information, Inc., with incentives for the development of infrastructure of existing and planned facilities at its regional headquarters located at 501 South 5<sup>th</sup> Street and 600 Tredegar Street in the city of Richmond.

\_\_\_\_\_  
Patron – Mayor Stoney

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: APR 22 2024 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 a Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program between the City of Richmond, the Commonwealth of Virginia, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of

AYES:            8            NOES:            0            ABSTAIN: \_\_\_\_\_

ADOPTED:    APR 22 2024    REJECTED: \_\_\_\_\_    STRICKEN: \_\_\_\_\_

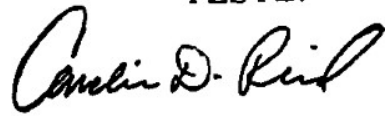
providing CoStar Realty Information, Inc., with incentives for the development of infrastructure of existing and planned facilities at its regional headquarters located at 501 South 5<sup>th</sup> Street and 600 Tredegar Street in the city of Richmond. The Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program 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.

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney's Office

**A TRUE COPY:  
TESTE:**



**City Clerk**



# City of Richmond

900 East Broad Street  
2nd Floor of City Hall  
Richmond, VA 23219  
www.rva.gov

## Master

**File Number: Admin-2024-0226**

**File ID:** Admin-2024-0226      **Type:** Request for Ordinance or Resolution      **Status:** Regular Agenda

**Version:** 1      **Reference:**      **In Control:** City Clerk Waiting Room

**Department:**      **Cost:**      **File Created:** 03/18/2024

**Subject:**      **Final Action:**

<b>Title:</b>
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**Internal Notes:**

**Code Sections:**

**Agenda Date:** 04/08/2024

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**Patron(s):**

**Enactment Date:**

**Attachments:** Admin-2024-0226\_CoStar Infrastructure MOU AATF, Admin-2024-0226\_CoStar Infrastructure MOU (Final)

**Enactment Number:**

**Contact:**

**Introduction Date:**

**Drafter:** Katie.McConnell@rva.gov

**Effective Date:**

**Related Files:**

### Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	3/22/2024	Leonard Sledge	Approve	3/20/2024
1	2	3/22/2024	Sharon Ebert	Approve	3/26/2024
1	3	3/22/2024	Meghan Brown	Approve	3/26/2024
1	4	3/25/2024	Sheila White	Approve	3/26/2024
1	5	3/27/2024	Jeff Gray	Approve	3/27/2024
1	6	3/28/2024	Lincoln Saunders	Approve	4/10/2024
1	7	3/28/2024	Cordell Hayes - FYI	Notified - FYI	
1	8	3/28/2024	Mayor Stoney	Approve	4/11/2024

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0226

# City of Richmond

## Intracity Correspondence

### O&R REQUEST

**DATE:** March 6, 2024 **EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor

**THROUGH:** J.E. Lincoln Saunders, Chief Administrative Officer

**THROUGH:** Sheila White, Director of Finance

**THROUGH:** Meghan Brown, Senior Manager, Department of Budget and Strategic Planning

**THROUGH:** Sharon Ebert, Deputy Chief Administrative Officer

**FROM:** Leonard L. Sledge, Director, Department of Economic Development

**RE:** Approval of the Memorandum of Understanding between the City of Richmond, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond.

**ORD. OR RES. No.**

**PURPOSE:** To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Memorandum of Understanding between the City of Richmond, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing CoStar Realty Information, Inc., with incentives for the development of infrastructure to serve the Company's existing and expansion facilities located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond.

**REASON:** CoStar Realty Information, Inc's regional headquarters expansion provides significant economic development benefits for the city. The project:

- Will create 1,984 new jobs, with an annual average wage of at least \$85,000;

- Involves more than \$460.5 million in private capital investment in the site;
- Enhances general fund revenue creation- an estimated \$30.6 million in new taxes over the next ten years;
- Develops an underutilized parcel of prime real estate, providing greater activation of the riverfront;
- Will generate new foot traffic for retail and service businesses downtown; and
- Demonstrates Richmond’s strength as a location for growing corporations.

**RECOMMENDATION:** The City Administration recommends the adoption of this ordinance.

**BACKGROUND:** In December 2021, following a competitive site selection search process, CoStar Realty Information, announced its decision to expand its regional headquarters and research and technology campus at 501 South 5th Street and 600 Tredegar Street which it has occupied since 2016. The company announced that it would invest \$460.5 million and create 1,984 new jobs with an average wage of over \$85,000.

As part of its collaborative proposal with the City to induce the Company to expand in Richmond, the Commonwealth offered two incentives: (1) the “Market-Based Sourcing” incentive, which reduces the Company’s corporate income tax burden (and to which the city is not a party to) and (2) a \$15,000,000 infrastructure grant program to reimburse the Company for infrastructure improvements like site grading and utilities on and around the site. The Memorandum of Understanding between Costar Realty Information Inc., the City, the Virginia Economic Development Partnership Authority (VEDP), and the Economic Development Authority of the City of Richmond (EDA) sets forth the terms and conditions under which the one-time infrastructure grant (state money) will be paid to the Company by the EDA.

CoStar’s continued investment in the city is an economic development success for Richmond’s growing professional services and technology sectors and a demonstration of Richmond’s potential as a corporate/regional headquarters.

**STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL:** The expansion of corporate headquarters and professional services companies aligns with the initiatives laid out in the City’s adopted Strategic Plan for Equitable Economic Development (SPEED).

**FISCAL IMPACT:** The project is projected to generate an estimated \$30.6 million in new revenue over the next ten years. There are no city funds associated with the state infrastructure grant.

**DESIRED EFFECTIVE DATE:** Upon Adoption.

**REQUESTED INTRODUCTION DATE:** April 8, 2024

**CITY COUNCIL PUBLIC HEARING DATE:** April 22, 2024

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** Finance and Economic Development Standing Committee

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** The Economic Development Authority of the City of Richmond

**AFFECTED AGENCIES:** Department of Economic Development, the Department of Budget and Strategic Planning, and the Department of Finance

**RELATIONSHIP TO EXISTING ORD. OR RES.:** N/A

**ATTACHMENTS:** Memorandum of Understanding for the Property Analytics Firm Infrastructure Grant Program

**STAFF:** Leonard L. Sledge, Director, Department of Economic Development (804) 646-7576  
Katie McConnell, Deputy Director, Department of Economic Development (804) 646-3171  
Sam Earl, Senior Management Analyst, Department of Economic Development (804) 646-4248

## MEMORANDUM OF UNDERSTANDING

### PROPERTY ANALYTICS FIRM INFRASTRUCTURE GRANT PROGRAM

**THIS MEMORANDUM OF UNDERSTANDING** (this “Memorandum”), dated as of the \_\_\_\_ day of \_\_\_\_\_, 2024, among the **COMMONWEALTH OF VIRGINIA** (the “Commonwealth”), **COSTAR REALTY INFORMATION, INC.**, a Delaware corporation authorized to transact business in the Commonwealth (the “Company”), the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation and political subdivision of the Commonwealth (the “City”), the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “EDA”), and the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY**, a political subdivision of the Commonwealth (the “Authority”), provides:

#### Recitals

The Commonwealth, in consideration of the Company’s promises regarding Capital Investment and New Jobs, as such capitalized terms are defined below, intends to provide certain incentives under the Property Analytics Firm Infrastructure Grant program to be used for the development of infrastructure to serve the Company’s existing and planned Facilities (as defined below) in the city of Richmond for the Company’s real estate property information, and analytics business.

The 2022 session of the General Assembly has appropriated \$15 million, plus any accrued interest, to support the development of Facilities in the city.

The stimulation of the additional tax revenue and economic activity to be generated in the Commonwealth and the city 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 Grant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged, the Commonwealth, the Company, the City, the EDA, and the Authority agree as follows:

#### **Section 1. Definitions.**

As used in this Memorandum:

“*Abandonment*” means the vacation of at least 75 percent of the total buildings located, or to be located, at 501 South 5<sup>th</sup> Street and 600 Tredegar Street in the city, continuously for more than 12 months.

“*Act*” means Chapter 1 of the 2022 Acts of the Virginia General Assembly, Special Session 1, and the specific appropriation provided for the Company’s benefit found in Item 112 of such Act.

“*Affiliate*” means any individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company.

“*Authority*” means the Virginia Economic Development Partnership Authority, and its successors and assigns.

“*Average Annual Wage*” means the average total taxable income paid by the Company during the Grant Year to all employees who are included in either the Baseline Jobs or the New Jobs. The Average Annual Wage is determined by dividing the total payroll for all Baseline Jobs and New Jobs (as reflected in Box 5 of I.R.S. Form W-2) by the total number of Baseline Jobs and New Jobs.

“*Baseline Job*” means a full-time position at the Existing Facilities existing as of January 1, 2022.

“*Capital Investment*” means an expenditure by, on behalf of, or induced by the Company on or after January 1, 2022, in real property, tangible personal property, and direct project management costs, including, but not limited to, architecture and engineering services for the Facilities, or at the Facilities. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, building construction, expansion, up-fit, re-tooling, and improvements by or on behalf of the Company, including under a build-to-suit lease or sale-leaseback transaction, and land improvements, will qualify as Capital Investment. The costs incurred to bring the New Facilities to the condition necessary for its intended use, including costs of constructing, including finance costs as required to be capitalized under US generally-accepted accounting principles (GAAP), equipping and occupying of the New Facilities will qualify as Capital Investment. The cost of the Infrastructure Improvements will not qualify as Capital Investment, however, any infrastructure costs incurred by the Company over and above those outlined in this Memorandum shall qualify as Capital Investment.

“*Capital Investment Target*” means \$460,500,000 of Capital Investment made and retained through the Performance Date.,

“*City*” means the City of Richmond, Virginia, a municipal corporation and political subdivision of the Commonwealth, and its successors and assigns.

“*Company*” means CoStar Realty Information, Inc., a Delaware corporation, and its Affiliates, successors, and assigns.

“*EDA*” means the Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia.

“*Existing Facilities*” means the Company’s current office facilities in the city as of January 1, 2022 located at 901 Semmes Avenue (Tax Map ID No. S0000031004) and the Company’s current principal operations facility located at 501 S. 5<sup>th</sup> Steet (Tax Map ID No. W0000043002).

“*Facilities*” includes the Existing Facilities and the New Facilities.



“*Fiscal Year*” means the Commonwealth’s fiscal year, which runs from July 1 of one calendar year to June 30 of the next calendar year.

“*Fund*” means the Property Analytics Firm Infrastructure Fund as established by the Act from which Grant Payments may be made to pay or reimburse the costs of the Infrastructure Improvements.

“*Grant*” means the Property Analytics Firm Grant in the maximum amount of up to \$15,000,000, plus any accrued interest in the Fund, to be made pursuant to the Act and in accordance with this Memorandum.

“*Grant Payments*” means the disbursements of the Grant from the Authority to the City from the Fund to pay or reimburse the costs of the Infrastructure Improvements, such payments to be made through the EDA to the Company.

“*Grant Year*” means January 1 of one calendar year through December 31 of that calendar year. The first Grant Year will run from December 1, 2021 to December 31, 2022.

“*Infrastructure Improvements*” means the infrastructure improvements for which costs were incurred after January 1, 2022, including commuter access and parking, pedestrian access, roadway and traffic improvements, safety enhancements, site preparation and utilities that will serve the Facilities, the employees of the Company, and other visitors to the vicinity of the Facilities, any similar or related public or private infrastructure improvements including costs incurred by the Company. The Infrastructure Improvements will be provided by the Company and are listed in Exhibit B.

“*Maintain*” means that the average number of New Jobs per Grant Year will continue without interruption from the date of creation through each date that the New Jobs Target is being tested. 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 (so long as there is active recruitment for open positions), (ii) strikes, (iii) force majeure events (including, but not limited to, consequential effects of such events, including, but not limited to, pandemics, supply chain delays, temporary placement of New Jobs in locations outside of Richmond but in the Commonwealth), and (iv) other temporary work stoppages.

“*New Facilities*” means the space, building, group of buildings or corporate campus, including any related furniture, fixtures and business personal property, directly related to the expansion of the Existing Facilities, to be owned, or sold and leased back to the Company and in each case operated by or on behalf of the Company in the furtherance of its real estate information and analytics business on or after January 1, 2022.

“*New Job*” means new permanent full-time employment of an indefinite duration created on or after January 1, 2022, at, assigned to, or reporting to the Facilities for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an Average Annual Wage during the Grant Year of at least equal to \$85,000. New Jobs shall also include positions relocated from outside the Commonwealth after January 1, 2022 to the New

Facilities. 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 (except transfers between or among the Facilities), and positions with construction contractors, vendors, suppliers and similar multiplier, ancillary or spin-off jobs shall not qualify as New Jobs. The New Jobs must be in addition to the Baseline Jobs. If a position is assigned to or reporting to the Facilities, but will not be physically located at the Facilities, that position will qualify as a New Job only if the person holding that position is a resident of the Commonwealth or will become a resident of the Commonwealth within nine months of the position qualifying as a New Job.

*"New Jobs Target"* means the creation and Maintenance through the Performance Date of at least 1,984 New Jobs.

*"Performance Date"* means December 31, 2028.

*"Property Information Analytics Firm Tax Modifications Memorandum"* means a memorandum between the Company and the Authority executed on July 25, 2022, related to certain tax allocation modifications that may apply to the Company as provided for in Chapters 256 and 257 of the 2022 Acts of the Virginia General Assembly.

*"Remaining Balance"* means the expected amount of Grant Payments subject to repayment by the Company for shortfalls in the expected Capital Investment or New Jobs or for a Substantial Failure to Meet Targets of the Facility, *minus* any Repayment Forgiven and *minus* any Repayment Made, subject to the provisions of Section 5.

*"Repayment Due"* means any amount of the Grant that may, as a result of a shortfall, as defined in Section 5 (b), in Capital Investment or New Jobs, or as a result of a Substantial Failure to Meet Targets, as described in Section 5, be due as a repayment.

*"Repayment Forgiven"* means any amount of the Remaining Balance not to be repaid by the Company to the extent that the Company has achieved the Targets, and to the extent that the Grant Payments total less than \$15,000,000, plus any accrued interest on the Fund, as described in Section 4.

*"Repayment Made"* means any amount of the Remaining Balance repaid by the Company in accordance with Section 5.

*"Report"* means a written report, with reasonable supporting documentation, to be provided to the Secretary by the Company, as described in Section 6(a). A form that the Company may use for the Report is attached hereto as Exhibit A. A copy of the Report shall also be provided to the City and to the EDA.

*"Secretary"* means the Secretary of Commerce and Trade for the Commonwealth, or his or her designee.

“*Substantial Failure to Meet Targets*” means 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, a failure of the Company to meet at least fifty percent (50%) of its New Jobs Target by December 31, 2025, or the failure of the Company to have made or cause to have been made at least fifty percent (50%) of its Capital Investments Target by December 31, 2025.

“*Targets*” means the Capital Investment Target and the New Jobs Target.

“*Virginia Code*” means the Code of Virginia of 1950, as amended.

**Section 2. Property Analytics Firm Infrastructure Grant Program; Generally.**

(a) Company Qualification. The Company hereby certifies that it is primarily a property information and analytics firm, that it currently owns and operates the Existing Facilities, and that it intends to lease, construct, acquire, and operate the New Facilities in the furtherance of its business. In consideration for the Grant Payments, which will pay for Infrastructure Improvements that are intended to benefit the Company and its employees, vendors, and guests, subject to Section 5(b), the Company agrees to achieve the (1) Capital Investment Target and (2) New Jobs Target by the Performance Date.

(b) Memorandum. The parties intend that this Memorandum serves as the arrangement described in the Act regarding the disbursement and potential repayment of the Grant.

(c) Grant Payments Subject to Appropriation. The Commonwealth’s obligations under this Memorandum and the Act to make Grant Payments shall constitute contractual obligations to make such payments; *provided* that the parties acknowledge that all of the Grant Payments described in this Memorandum are subject to appropriation by the Virginia General Assembly, will be paid from the Fund, and are subject to reduction should there be insufficient moneys in the Fund to make the Grant Payments in full. All payments and other performances by the City and the EDA under this Agreement are subject to City Council approval, EDA Board approval and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City’s or the Authority’s total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

Should the Commonwealth be unable to proceed because there are insufficient moneys in the Fund to make the Grant Payments in full, an amount equal to \$15,000,000, plus any accrued interest in the Fund, minus the Grant Payments that have been or may be made will be considered a Repayment Forgiven, as described in Section 4.

(d) No Double-Counting. No capital expenditures made, nor new jobs created, that are subject to any other performance agreement, except those included in the Property Information and Analytics Firm Tax Modification Memorandum with the Commonwealth or the Property Tax

Grant Performance Agreement with the City, may count as Capital Investment or New Jobs under this Memorandum. and except as may be mutually agreed upon by the parties.

(e) Use of Grant Proceeds. The Company acknowledges that the proceeds of each Grant Payment will be disbursed to the City to pay or reimburse the costs incurred by the City or the Company for the Infrastructure Improvements. The eligible Infrastructure Improvements are listed in Exhibit B.

(f) Maximum Aggregate Grant Payments. The maximum aggregate amount of the Grant Payments to be made pursuant to the Act and in accordance with this Memorandum is \$15,000,000, plus any accrued interest in the Fund.

The Company agrees that, for the Facilities, it will not take advantage of any state benefits that may be available to it through the Virginia Enterprise Zone Grant Program, currently codified in Chapter 49 of Title 59.1 of the Virginia Code for jobs created or investments made equal to the amounts established in this Memorandum.

**Section 3. Targets. (intentionally omitted)**

**Section 4. Grant Payments; Potential Repayment Forgiven.**

The Company will undertake the design and construction of the Infrastructure Improvements for which it is responsible according to Exhibit B. As soon as practicable after full execution of this agreement, but in any event no later than July 1, 2025, the Company will present paid invoices to the Authority to seek reimbursement for the costs incurred by the Company for the Infrastructure Improvements. The aggregate of such paid invoices will not exceed \$15,000,000 plus any accrued interest in the Fund at the time monies are transferred from the Authority to the City. Within 30 days after verification of the invoices, the Authority will disburse a Grant Payment in the amount of such invoices to the City. Within 30 days after receipt of such amount, with “receipt” meaning both acceptance of the Grant Payment by the City Council of the City of Richmond, Virginia (“Council”) and the appropriation by Council of such Grant Funds to the EDA, the EDA will disburse such Grant Payment to the Company.

When the Infrastructure Improvements are complete and all associated invoices have been submitted, if the aggregate amount of Grant Payments paid is less than \$15,000,000, plus any accrued interest, that shortfall amount will be considered to be a Repayment Forgiven and will be credited to the Remaining Balance.

**Section 5. Grant Repayments.**

(a) Grant Allocations. Of the \$15,000,000 Grant, plus any accrued interest in the Fund, 30% (\$4,500,000) is allocated to the Capital Investment Target and 70% (\$10,500,000) is allocated to the New Jobs Target.

(b) Shortfall in Targets. If, as of the Performance Date, the Company has not achieved at least 90% of the full Capital Investment Target and at least 90% of the full New Jobs Target, the Company will owe a Repayment Due reflecting a proportional amount of the Target or Targets

for which there is a shortfall of more than 10%. For example, if as of the Performance Date, only \$368,400,000 of the Capital Investment has been retained (reflecting achievement of 80% of the Capital Investment Target, and a shortfall of 20%), and only 1,488 New Jobs have been created and Maintained (reflecting achievement of 75% of the New Jobs Target, and a shortfall of 25%), the Company will have a Repayment Due of \$2,100,000 (reflecting 20% of the \$10,500,000 of the Grant allocated to the Capital Investment Target), *plus* \$1,125,000 (reflecting 25% of the \$4,500,000 of the Grant allocated to the New Jobs Target), for a total of \$3,225,000. These amounts reflect the percentages of the shortfall from the Capital Investment Target and the New Jobs Target, each such shortfall multiplied by the portion of the Grant allocated to that Target.

Any Repayment Due would be due by the Company to the Commonwealth by April 1, 2029.

(c) Repayment Due Related to Substantial Failure to Meet Target. If a Substantial Failure to Meet Target occurs at any time prior to January 1, 2029, the Company shall repay as a Repayment Due an amount equal to the Remaining Balance. This Repayment Due would be due by the Company to the Commonwealth within ninety (90) days of the notification by the Secretary or the Authority to the Company that a Substantial Failure to Meet Targets has occurred, unless the Company within such ninety (90) day period either (i) cures the Substantial Failure to Meet Targets, or (ii) presents a plan for the cure of the Substantial Failure to Meet Targets for a period in excess of such ninety (90) days, so long as the plan is approved by the Secretary or the Authority (approval not to be unreasonably withheld or delayed). In no case shall approval to cure a Substantial Failure to Meet Targets be granted beyond December 31, 2028.

(d) Repayment Made. Any Repayment Made will be credited to the Remaining Balance.

(e) Repayment as Sole Remedy. Repayment as provided herein shall constitute the Company's sole liability and the Commonwealth's, the City's, the EDA's and the Authority's exclusive remedy arising out of or related to the Company's non-performance, whether claims of the Commonwealth, the City, or the Authority are based in contract, in tort (including negligence and strict liability) or otherwise.

## **Section 6. Reports.**

(a) Report. On or before April 1, 2026, and April 1, 2029, the Company shall provide a report (the "Report") providing evidence, satisfactory to the Secretary, of:

- (i) the Capital Investment made through the date of the Report; and
- (ii) the Average Annual Wage for the prior Grant Year; and
- (iii) the number of New Jobs created through the date of the Report

(b) Verification of Capital Investment. The Company hereby authorizes the City, including the City's Department of Finance, to release to the Authority the Company's real estate

tax, business personal property tax and machinery and tools tax information (the “City’s Capital Investment Records”) so long as any such Authority recipients (a) have a need to know the City’s Capital Investment Records, and (b) the Authority is bound by confidentiality obligations that preclude the Authority from disclosing the City’s Capital Investment Records to any third party. In addition, such City’s Capital Investment Records shall be marked and considered confidential and proprietary and shall be used by the Authority solely for verifying satisfaction of the Capital Investment Target. If the City or its Department of Finance should reasonably 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 may be so reasonably requested. In accordance with Virginia Code Section 58.1-3122.3, the Authority is entitled to receive the Company’s real estate tax, business personal property tax, and machinery and tools tax information from the City.

It is hereby understood that the amount of Capital Investment made by the Company to meet the Capital Investment Target as demonstrated by the Report may differ from the amount reported in the City’s Capital Investment Records or its tax assessment records. Notwithstanding anything to the contrary set forth herein, but subject to the following paragraph, for purposes of determining the amount of Capital Investment, the parties agree that the Report shall be dispositive.

In addition to the verification data described above, in the reasonable discretion of the Authority, the Authority may require such other documentation, including invoices or audits as may be required to properly verify the Capital Investment.

(c) Verification of Average Annual Wages and New Jobs. With each Report, the Company must submit a copy of its Employer’s Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission during the preceding years through the date of the applicable report. The forms shall be marked and considered confidential and proprietary and shall be used by the Authority solely for verifying satisfaction of the Average Annual Wage, and the achievement of the New Jobs Target. The parties understand and agree that Form FC-20 reports total gross wages before deductions. As such, the Company’s reporting on Average Annual Wage and New Jobs will differ from the figures in Form FC-20. In accordance with Virginia Code Section 60.2-114, the Authority is entitled to receive the Company’s employment level and wage information from the Virginia Employment Commission.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a jurisdictional level, rather than at the company level.

In addition to the verification data described above, in the reasonable discretion of the Authority, the Authority may require such other documentation or audits as may be required to properly verify the Average Annual Wages and New Jobs.

(d) Secretary’s Report on Application. Within sixty (60) days after receiving the final Report covering the Performance Date, the Secretary shall certify to the Company the Secretary’s determination as to extent to which the Company has met the Targets, and the amounts of any Repayment Forgiven or Repayment Due, together with the repayment date.

(e) Confidential and Proprietary Information. Any documents containing confidential and proprietary information made available and identified as such by the Company, shall be maintained as confidential by the Authority and the Secretary, to the extent permitted by law. The Company understands that the extent to which it has or has not achieved the Targets through the Performance Date is non-proprietary information that is subject to disclosure by the Authority and the Commonwealth. The Company further understands that information regarding whether it filed its Reports on time is also non-proprietary information that is subject to disclosure by the Authority and the Commonwealth. Further, this Memorandum is a public document that is subject to disclosure by the Commonwealth or the Authority. Notwithstanding the foregoing, prior to any disclosure pursuant to a request for information under the Virginia Freedom of Information Act, the Authority or the Commonwealth, as applicable, shall notify the Company in writing as soon as reasonably possible and, at the same time, provide the Company with a copy of any intended disclosure and allow the Company sufficient time to provide comments to the intended disclosure, including proposed redactions of Company's proprietary and business-sensitive information. The parties will work together in good faith to agree on the proposed wording of any disclosure.

(f) Impact of Late Report. If a Report is not submitted by the April 1 deadline date, and the Company fails to cure such failure by submitting a Report within thirty (30) days of written notice from the Commonwealth or the Authority notifying the Company of the missed deadline, the Company will be deemed to be delinquent in the filing of the Report. The Authority shall notify the City and EDA if the Company fails to submit a report by the deadline date.

For good cause shown, and upon payment by the Company to VEDP of a \$3,000 late filing fee, the Secretary may extend the filing deadline for a Report by up to sixty (60) additional days following the expiration of the original thirty-day period.

#### **Section 7. Collection of Repayment Due.**

If any Repayment Due is not made by the Company when due, subject to the dispute resolution process set forth in Section 8(b), the Board of Directors of the Authority (the "Board") may determine that further collection action is required, and the Board may refer the matter to the Office of the Attorney General (the "OAG") for collection pursuant to Virginia Code Section 2.2-518. In any matter referred to the OAG for collection, the Company shall be liable to pay interest, administrative charges, attorney fees and other applicable fees. Interest on any outstanding repayment referred to the OAG shall accrue at the rate set forth in Virginia Code Section 6.2-301 A. (currently 6.0% per year) for the period from the due date of the payment until paid.

#### **Section 8. Event of Force Majeure; Dispute Resolution.**

(a) Event of Force Majeure. Notwithstanding the foregoing provisions of this Memorandum, if the Company does not meet a Target or take any action required under this Memorandum because of an Event of Force Majeure (as defined below), the time for achieving the applicable Target or taking such action will be extended by an amount of time that is reasonably necessary to overcome the effects of the Event of Force Majeure. "Event of Force Majeure" means, without limitation, any of the following: any act of God; act of a public enemy; war; riot; sabotage; blockage; embargo; failure or inability to secure materials, supplies or labor through ordinary

sources by reason of shortages or priority; labor strike, lockout or other labor or industrial disturbance (whether or not on the part of agents or employees of any party); civil disturbance; terrorist act; power outage; fire, flood, windstorm, hurricane, earthquake; landslides; lightning; tornadoes; storms; washouts; droughts; or other casualty; insurrection, pandemic, epidemic, arrests; restraint of government and people; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; any change in law (except the Act), order, regulation or other action or inaction of any governing authority; or any other cause or event not reasonably within the control of the Company. In no event may the delay related to a single Event of Force Majeure exceed two (2) years or, in the aggregate for all Events of Force Majeure, exceed three (3) years.

(b) Dispute Resolution. In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Memorandum (including (i) disputes as to the creation, validity, or interpretation of this Memorandum or (ii) the existence or amount of any Repayment Due under Section 5 (a “Dispute”), then upon the written request of any party, each of the parties will appoint a senior representative whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The representatives will meet as often as the parties reasonably deem necessary in order to gather and furnish to the others all information with respect to the matter in issue which the parties believe to be appropriate and germane. Such representatives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding. The specific format for such discussions will be left to the discretion of the representatives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other parties. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (1) a good faith mutual conclusion by the representatives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (2) the 90<sup>th</sup> day after the initial request to negotiate the Dispute. If the resolution of the Dispute requires either party to take, or cause to be taken or to cease taking, some action, such party shall be provided a reasonable period of time, not less than ninety (90) days, to take, to cause, or to cease taking, such action. If the parties are unable to resolve the Dispute pursuant to the process set forth above, any party may seek to resolve the Dispute by filing an action in the jurisdiction and venue stipulated in Section 9(g) or by pursuing any other remedy available at law.

## **Section 9. Miscellaneous.**

(a) Amendment of Act. If the Act, as enacted or amended by the General Assembly, contains provisions that are additional to or in conflict with the provisions of this Memorandum, the Company, VEDP, the Commonwealth, the City, and the EDA will endeavor to amend this Memorandum to include or modify provisions to the end that this Memorandum will be in conformity with the Act with an aim to preserve the benefits and avoid additional burdens to the Company under this Memorandum, if possible under the Act. To the extent any inconsistency between the Act and this Memorandum exists, the terms of the Act shall control.

(b) Assignments. None of the Company’s rights or responsibilities under this Memorandum shall be transferred or assigned, including by operation of law, without the prior written consent of the Secretary, which shall not be unreasonably withheld, except that the



Company may assign this Memorandum to an Affiliate, or in connection with any merger, reorganization, sale of all or substantially all of the Company's assets or any similar transaction.

(c) Successors and Assigns. Subject to the limitations on assignments set forth in subsection (b) above, all of the provisions of this Memorandum shall be binding upon and for the benefit of the respective successors and assigns of the parties hereto, to the same extent as if each successor and assign were in each case named as a party to this Memorandum.

(d) Completeness; Modification. This Memorandum constitutes the entire agreement between the parties with respect to the Grant and supersedes all prior discussions, understandings, agreements, and negotiations among the parties, except the Act. This Memorandum may be modified only by a written instrument duly executed by the parties and any such modification must be in accordance with the Act. Any modification to this Memorandum shall be submitted by the Secretary to the chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations no later than 30 days after being executed by the Secretary.

(e) Numbers; Gender. Whenever in this Memorandum the singular number is used, the same shall include the plural where appropriate, and vice versa. Words of any gender used in this Memorandum shall include each other gender where appropriate.

(f) Cooperation. The Company hereby commits to cooperate with the City to pursue other state, regional, and federal funds to support or to cover the costs of other infrastructure improvements identified by the City as related to the New Facilities

(f) Notices. All notices, communications and other information provided under this Memorandum shall be in writing and shall be given by (i) personal delivery, (ii) a nationally recognized overnight courier (providing confirmation receipts) for delivery on the following business day, (iii) confirmed email, or (iv) first class mail postage prepaid, as follows:

If to the Commonwealth:

Commonwealth of Virginia  
Address: 1111 East Broad Street, 4<sup>th</sup> Floor (zip code: 23219)  
P.O. Box 1475  
Richmond, VA 23218  
Attention: Secretary of Commerce and Trade  
Email: caren.merrick@governor.virginia.gov

If to the Authority:

Virginia Economic Development Partnership  
Address: 901 East Cary Street, Suite 900  
Richmond, VA 23219  
Attention: President and Chief Executive Officer  
Email: ceo@vedp.org

If to the Company:

CoStar Realty Information, Inc.  
Address: 1331 L Street NW  
Washington, DC 20005  
Attention: General Counsel  
Email: legalgroup@costar.com

with a copy to:

McGuireWoods Consulting, LLC  
Address: 800 East Canal Street  
Richmond, VA 23219  
Attention: Christopher D. Lloyd  
Email: clloyd@mwellc.com

If to the City:

Chief Administrative Officer  
900 East Broad Street, 14<sup>th</sup> Floor  
Richmond, Virginia 23219

*with a copy to:*

City Attorney  
900 East Broad Street, Suite 400  
Richmond, Virginia 23219

Director of Economic Development  
1500 East Main Street, Suite 400  
Richmond, Virginia 23219

If to the EDA:

Chair, Economic Development Authority  
1500 East Main Street, Suite 400  
Richmond, Virginia 23219

*with a copy to:*

City Attorney  
900 East Broad Street, Suite 400  
Richmond, Virginia 23219

Executive Director of the Economic Development Authority

1500 East Main Street, Suite 400  
Richmond, Virginia 23219

or to such other address shall be notified by any party to the other parties. Except as noted in the next sentence, any notice shall be deemed given when received or first refused by the addressee. Any Report provided by the Company by mail pursuant to Section 6 shall be deemed given when postmarked.

(g) Governing Law; Venue. This Memorandum shall be governed by and construed in accordance with the laws of the Commonwealth, without reference to its choice of law rules. Jurisdiction and venue for any litigation arising out of or involving this Memorandum shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

(h) Severability. If any court determines that any clause, provision or section of this Memorandum is illegal or invalid, the parties shall negotiate in good faith a substitute clause, provision or section, which such substitute must be in accordance with the Act, and the unaffected provisions shall remain in effect.

(i) Counterparts. This Memorandum may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

WITNESS the following signatures as of the day and year first written above.

**COMMONWEALTH OF VIRGINIA**

By \_\_\_\_\_  
Name: Caren Merrick  
Title: Secretary of Commerce and Trade


**COSTAR REALTY INFORMATION, INC.**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY**

By \_\_\_\_\_  
Name: Jason El Koubi  
Title: President and Chief Executive Officer

Approved as to form:

  
Deputy City Attorney

**CITY OF RICHMOND, VIRGINIA**

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Exhibit A: Form of Report  
Exhibit B: Authorized Infrastructure Improvements Subject to Reimbursement

**Exhibit A  
PROGRESS REPORT  
PROPERTY ANALYTICS FIRM INFRASTRUCTURE GRANT PROGRAM**

**PROJECT SUMMARY:**

Project	CoStar Realty Information, Inc.
Reporting Period	Year Through December 31, 20__

**PROJECT PERFORMANCE:**

**Average Annual Wage:**

Targeted Average Annual Wage for Grant Year 20\_\_: \$ \_\_\_\_\_  
 Actual Average Annual Wage for Grant Year 20\_\_: \$ \_\_\_\_\_

**Fringe Benefits:**

Is a package of standard fringe benefits made available to employees holding Baseline Jobs and New Jobs:  yes  no

**New Jobs (attach FC-20 Forms during Grant Year):**

Actual New Jobs created in years 20\_\_: \_\_\_\_\_

**Capital Investment (attach supporting documentation):**

Actual Capital Investment in years 20\_\_: \$ \_\_\_\_\_

<b>Breakdown of Capital Investment in years 20__</b>	<b>Amount</b>
Leasehold Improvements	\$
Land Improvements	\$
Acquired Real Property Improvements	
New Construction	\$
Renovation	\$
Furniture, Fixtures and Business Personal Property	\$
Machinery and Tools	\$
Other	\$
<b>Total</b>	<b>\$</b>

**COMMENTS:**

Please discuss status of the development and operation of the Facilities, including the current level of Capital Investment and New Jobs, progress on the Targets, changes or likely changes in the nature of the Facilities that may impact achievement of the Targets, and other information relevant to the Company's performance. If the Company is not on track to meet the Targets, please provide an explanation.

**TO BE CERTIFIED BY A REPRESENTATIVE OF THE COMPANY:**

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

**COSTAR REALTY INFORMATION, INC.**

By: \_\_\_\_\_  
Signature of Representative  
Title: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Please return to:

Secretary of Commerce and Trade  
Commonwealth of Virginia  
1111 East Broad Street, 3<sup>rd</sup> Floor  
Richmond, Virginia 23219  
Caren.merrick@governor.virginia.gov

President and CEO  
Virginia Economic Development Partnership  
901 East Cary Street, Suite 900  
Richmond, Virginia 23219  
ceo@vedp.org

**Exhibit B – Authorized Infrastructure Improvements Subject to Reimbursement**

- **Installing a new waterline in Bragg Street - City of Richmond**
- **Contaminated soil removal, testing and remediation - Company**
- **Removal of spoils and hidden underground obstructions and debris - Company**
- **Installation of sanitary sewer to the site line along Tredegar Street, circumventing undocumented existing conditions on Tredegar Street - Company**
  - **Rock blasting, site clearing and grading to address extraordinary circumstances - Company**
  - **Lay-by Lane on Tredegar Street for retail - Company**
  - **Lay-by lane on 5th Street for CoStar transportation - Company**