

COMMUNITY BENEFIT AGREEMENT 2012
MEMORANDUM OF UNDERSTANDING
(CCSF Business & Tax Regulations Code §906.3(c)(5))

between

CITY AND COUNTY OF SAN FRANCISCO CITY ADMINISTRATOR,

and

ZENDESK, INC.

THIS COMMUNITY BENEFIT AGREEMENT 2012 MEMORANDUM OF UNDERSTANDING is made as of January 24, 2012 in the City and County of San Francisco, State of California, by and between **ZENDESK, INC. ("Zendesk")** and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City") acting by and through the City Administrator,

WITNESSETH:

WHEREAS, San Francisco Business and Tax Regulations Code Article 12-A ("Payroll Expense Tax Ordinance") establishes a Payroll Expense Tax within the City and County of San Francisco; and,

WHEREAS, Section 906.3 "Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion" ("Section 906.3") of the Payroll Expense Tax Ordinance provides an exclusion from the Payroll Expense Tax for defined persons and businesses within the Central Market Street and Tenderloin Area, for certain periods of time; and,

WHEREAS, pursuant to Payroll Expense Tax Ordinance §902, a "person" or business is defined for this purpose by San Francisco Business and Tax Regulations Code Article 6, §6.2-15; and,

WHEREAS, in order for a person or business to qualify for the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion, Section 906.3 requires filing of a timely application with the City's Office of Economic and Workforce Development ("OEWD") on a form that has been approved by OEWD and the City's Treasurer-Tax Collector; and,

WHEREAS, Section 906.3(c)(5) further provides that, as part of the application, a person or business with an annual payroll expense that exceeds one million dollars as defined, "shall enter into a binding Community Benefit Agreement with the City Administrator in order to be eligible for the payroll expense tax exclusion under this Section;"

WHEREAS, Zendesk, Inc. has previously submitted an initial application for Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion to OEWD utilizing an application form approved by OEWD and the City's Treasurer-Tax Collector, and Zendesk now wishes to enter into a binding Community Benefit Agreement with the City Administrator as required by Section 906.3(c)(5); and,

WHEREAS, on behalf of the City, the City Administrator wishes to enter into a Community Benefit Agreement with Zendesk for this purpose; and,

WHEREAS, Zendesk and the City Administrator have mutually agreed to the terms of Zendesk, Inc. Community Benefit Agreement 2012 that is attached and incorporated herein by reference as Appendix A; and,

WHEREAS, as key elements of this Community Benefit Agreement 2012, Zendesk will:

1. "Promote development of a healthy, economically functional neighborhood, with the focus on food policy/food justice;"
2. "Help stabilize the existing community" through support of small and local businesses, job training/skills, and improved access to technology; and,
3. "Develop strong, useful and longstanding relationships with the Central Market Street and Tenderloin Area Citizens Advisory Committee (San Francisco Business and Tax Regulations Code §906.3-1), community leaders, and members of the various organizations working and advocating for change in the Tenderloin and other neighborhood stakeholders;" and,

WHEREAS, Zendesk will expend commercial best efforts to fulfill its responsibilities under this Community Benefit Agreement 2012; and,

WHEREAS, the Parties each acknowledge and understand that this Community Benefit Agreement is entered into and binding upon Zendesk for calendar year 2012, which will be Zendesk's first year of payroll expense tax exclusion pursuant to San Francisco Business and Tax Regulations Code §906.3, provided that OEWD (as verified by the Treasurer-Tax Collector) finally determines that Zendesk is eligible for the exclusion; and,

WHEREAS, the Parties each acknowledge and understand that, pursuant to Section 906.3(c)(5), Zendesk may request that the City Administrator enter into other Community Benefit Agreements with Zendesk in future years and that the City Administrator may require different or additional provisions in such future Agreements; and,

WHEREAS, the Parties wish to memorialize their agreement to the Zendesk, Inc. Community Benefit Agreement 2012 that is attached and incorporated herein by reference as Appendix A, by a Memorandum of Understanding:

NOW, THEREFORE, the Parties voluntarily enter into this Community Benefit Agreement 2012 Memorandum of Understanding and hereby adopt the Zendesk, Inc. Community Benefit Agreement 2012 that is attached and incorporated herein by reference as Appendix A, as Zendesk's calendar year 2012 binding Community Benefit Agreement with the City Administrator under San Francisco Business and Tax Regulations Code §906.3(c)(5).

IN WITNESS WHEREOF, the parties hereto have caused this Zendesk, Inc. Community Benefit Agreement 2012 Memorandum of Understanding to be duly executed as of the date first specified herein.

CITY ADMINISTRATOR

ZENDESK, INC.

By:



**NAOMI KELLY
ACTING CITY ADMINISTRATOR**

By:



**MIKKEL ASGER SVANE
CHIEF EXECUTIVE OFFICER**

-- Appendix A --

ZENDESK, INC. COMMUNITY BENEFIT AGREEMENT 2012

Zendesk, Inc. ("Zendesk") will focus its efforts in establishing a community benefit agreement on those issues deemed the highest priority by the Central Market Street and Tenderloin Area Citizens Advisory Committee ("CAC," San Francisco Business and Tax Regulations Code §906.3-1), and the residents, small businesses, and the various community organizations advocating for the Central Market Street neighborhood and the Tenderloin. As defined in City Business Tax & Regulations Code §906.3(b)(1): "The 'Central Market street and Tenderloin Area' means the area located in downtown San Francisco, generally including: parcels fronting the south side of Market Street from Eleventh Street to Sixth Street; a portion of parcels fronting the south side of Market Street from Sixth Street to Fifth Street (odd numbered addresses from 999 to 933 Market Street); parcels fronting the north side of Market Street from Van Ness Avenue to Eighth Street; 875 Stevenson Street; and parcels in the area bordered by: Ellis Street from Polk Street to Mason Street (south side only); Mason Street, from Ellis Street to Market Street (west side only); Market Street, from Mason Street to Charles J. Brenham Place (north side only); Charles J. Brenham Place, from Market Street to McAllister Street (east side only); McAllister Street, from Charles J. Brenham Place to Larkin Street (north side only); Larkin Street, from McAllister Street to Eddy Street (east side only); Eddy Street, from Larkin Street to Polk Street (north side only); and Polk Street from Eddy Street to Ellis Street (east side only)," collectively called "mid-Market."

After several meetings with the Central Market Street and Tenderloin Area Citizens Advisory Committee, Zendesk feels the highest priorities for the community are food justice/food policy issues, job stability, and fostering an intimate and organic relationship with the numerous community organizations who are working to improve the Tenderloin and the mid-Market area in a variety of creative, hands-on, and innovative ways that will primarily address food policy and food justice issues, job development and training, and building long-lasting community partnerships.

In creating the city's very first Community Benefits Agreement that is included in the application process for the payroll expense tax exclusion in Central Market Street and Tenderloin area, Zendesk would like to emphasize that its intention is to grow the Community Benefit Agreement each consecutive year that it takes advantage of the payroll tax exclusion. Therefore we have created a Community Benefit Agreement that is scalable, and as it grows, will not exhaust Zendesk's resources so that it can continue to deliver an increasingly robust CBA.

Zendesk believes it can fulfill its commitment to the community and honor the required Community Benefit Agreement in the following ways:

1. Key Area of Community Benefit Agreement:

Promote the development of a healthy, economically functional neighborhood, with the focus on food policy/food justice.

- Sponsor a minimum of one workshop in 2012 aimed at educating the local community on various food policy issues. Suggested topics include, "Cooking within an SRO environment," however, Zendesk will work with the CAC as well as community leaders working on the mid-Market area's food issues.
 - Collaborate with local restaurants to lead cooking demonstrations and workshops.
 - Collaborate with Episcopal Community Services and its program C.H.E.F.S. to lead workshops and demonstrations for local residents or after-school children.
 - Collaborate with the Food Security Task Force to develop public forums to discuss and educate the residents, community leaders, and other stakeholders about food justice and food policy issues challenging the mid-Market community.
- Sponsor a minimum of one volunteer day at a mid-Market community garden.
- Contribute \$5,000 to the network of community gardens in the mid-Market area.

2. KEY AREA OF COMMUNITY BENEFIT AGREEMENT:

Help Stabilize the Existing Community

Support of Small and Local Businesses

- Commit to using mid-Market area small and local caterers, bars, and restaurants for at minimum 40% of our events in 2012. We will also host 75% of our networking events at these small and local bars and/or restaurants. Zendesk typically hosts between 2 and 4 networking events each year.
- We will also work with our purchaser to purchase in the mid-Market area for our company's day-to-day operations, as feasible.

Job Training/Skills

- Zendesk will work with Episcopal Community Services, specifically its C.H.E.F.S program, to give its clients real-world experience in the catering industry. We will work with Episcopal Community Services to determine the appropriate level of involvement in Zendesk sponsored events based on that organization's capabilities and capacity.
- Offer, at minimum, two paid summer internships at Zendesk in 2012 to mid-Market area residents. These internships will be advertised via the City's First Source Hiring Program and other relevant websites.
- Help residents, businesses, and students gain basic to advanced computer and technical skills to be more competitive in the job marketplace, more successful in their studies, or pursue education and/or employment objectives.
 - Host at least two workshops in 2012, led and taught by Zendesk employees, to teach residents, businesses, and students how to use software such as Google Docs, social media apps such as Twitter, and/or how to set up wireless internet access for an office.
 - Zendesk will hold meetings with the CAC and community partners and other neighborhood stakeholders to finalize a list of workshops that is consistent with the community needs.

Improved Access to Technology

- Help local residents, businesses, and students gain access to much-needed technology by donating used equipment and computers to local organizations. We will work with our IT department to generate an ongoing list of items for donation. Zendesk will put an application form and the list of items for donation on its website so that organizations can review the list and apply to receive these donations. Local organizations will receive preferences to donated items. We will link this page to the Central Market Partnership page on the SFgov.org website and other relevant websites.

3. KEY AREA OF COMMUNITY BENEFIT AGREEMENT:

Develop strong, useful, and longstanding relationships with the Central Market Street and Tenderloin Area Citizens Advisory Committee ("CAC"), community leaders, and other neighborhood stakeholders.

- Appoint a Zendesk manager immediately following execution of the Community Benefit Agreement, who will be the primary neighborhood community liaison between Zendesk, the CAC, and other neighborhood stakeholders.
- Begin scoping for an online help center that would become the one-stop resource center for all events and resources available to residents and businesses in the mid-Market area. The goal of this online help center would be to have one centralized location for publicizing community events in the mid-Market area, and listing all available resources to residents and businesses in the mid-Market area. It will also serve as a way for the various businesses, non-profit organizations, etc. to help distribute information in the form of flyers, hand-outs, and printed documents to its customers and clients. Long-term goals could include the posting of user-generated content relevant to the mid-Market area, as well as opportunities for residents and businesses and anyone else interested in mid-Market issues to submit inquiries and questions to the help center. These inquiries would then be fielded by Zendesk's online help desk software in order to answer and resolve any inquiries. In 2012 Zendesk will work with the appropriate community partners to plan for the design and implementation of the site.
- Coordinate a minimum of two lectures that invites community organizations to give presentations outlining the historical, cultural, and artistic significance of the mid-Market area. Zendesk will coordinate with those organizations to provide the venue for these events and provide any additional support for executing these events through food, beverage, or other relevant support. Asking other venues/organizations to participate in such a lecture series allows us to help publicize these vibrant organizations as well as encourage a new and diverse audience for each lecture. The idea is to cross-pollinate between organizations; and to have an avenue for the separate cultural, artistic, and historical organizations to work, communicate, and collaborate together in educating the general public on the vast history and cultural significance of the mid-Market area.
- Coordinate a minimum of two Zendesk volunteer days with those with those organizations supporting the historical, cultural, and artistic significance of the mid-Market area.
- Zendesk would like to use this first year of the Community Benefits Agreement to increase its visibility in the community so it can further its relationship with the residents, businesses, community leaders, and other neighborhood stakeholders.

- Coordinate with various community organizations to lead a minimum of two off-site visits for Zendesk employees that will offer the company an opportunity to explore and learn more about the mid-Market area. These could be neighborhood walking tours, historic buildings tours or visits to notable neighborhood destinations.
- Organize a minimum of 2 group outings to mid-Market area art exhibits, gallery openings, musical performances, etc. for Zendesk employees that would help support the thriving arts community in the mid-Market.