

**COMMUNITY BENEFIT AGREEMENT 2014 RENEWAL**

**MEMORANDUM OF UNDERSTANDING**

*(CCSF Business & Tax Regulations Code §906.3(c)(5))*

between

**CITY AND COUNTY OF SAN FRANCISCO CITY ADMINISTRATOR,**

And

**YAMMER, A SUBSIDIARY OF MICROSOFT**

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**THIS COMMUNITY BENEFIT AGREEMENT 2014 RENEWAL MEMORANDUM OF UNDERSTANDING** is made as of January 1, 2014 in the City and County of San Francisco, State of California, by and between **YAMMER, A SUBSIDIARY OF MICROSOFT**, (“Microsoft”) 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

Filing of timely tax returns and other forms with the 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;" and

**WHEREAS**, Microsoft 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 must enter into a binding Community Benefit Agreement by January 31, 2014 with the City Administrator to be granted its payroll tax exclusion; and,

**WHEREAS**, On behalf of the City, the City Administrator wishes to enter into the Community Benefit Agreement with Microsoft for this purpose; and,

**WHEREAS**, Microsoft and the City Administrator have mutually agreed to the terms of this Microsoft Community Benefit Agreement 2014 that is attached and incorporated herein by reference as Appendix A; and,

**WHEREAS**, As set forth in this Community Benefit Agreement 2014, Microsoft, through its subsidiary Yammer, will:

1. Create meaningful engagement with the community
2. Support nonprofit communication with Yammer
3. Establish a local nonprofit product donation program
4. Improve educational outcomes for youth
5. Support local arts and cultural groups
6. Support physical neighborhood improvements
7. Commit to local purchasing
8. Appoint a community liaison

**WHEREAS**, Microsoft will expend good faith efforts to fulfill its responsibilities under this Community Benefit Agreement 2014; and,

**WHEREAS**, The Parties each acknowledge and understand that this Community Benefit Agreement is entered into and binding upon Microsoft for calendar year 2014 pursuant to San Francisco Business and Tax Regulations Code §906.3, provided that OEWD (as verified by the Treasurer-Tax Collector) finally determines Microsoft is eligible for the exclusion; and,

**WHEREAS**, The Parties each acknowledge and understand that, pursuant to Section 906.3(c)(5), Microsoft may request that the City Administrator enter into other Community Benefit Agreements with Microsoft 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 Microsoft Community Benefit Agreement 2014 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 2014 Memorandum of Understanding and hereby adopt the Microsoft Community Benefit Agreement 2014 that is attached and incorporated herein by reference as Appendix A, as Microsoft calendar year 2014 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 Microsoft Community Benefit Agreement 2014 Memorandum of Understanding to be duly executed as of the date first specified herein.

**CITY ADMINISTRATOR**

**YAMMER,**

**A SUBSIDIARY OF MICROSOFT**

By:

\_\_\_\_\_  
**NAOMI M. KELLY**  
**CITY ADMINISTRATOR**

By:

\_\_\_\_\_  
**[TBD]**  
**[TITLE]**

-- Appendix A --

**MICROSOFT COMMUNITY BENEFIT AGREEMENT 2014 RENEWAL**

YAMMER ("Microsoft") will focus its efforts in establishing, as set forth in this Community Benefit Agreement ~~community benefit agreement~~, 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 and Tenderloin neighborhood area ~~neighborhood and the Tenderloin~~.

As defined in City Business Tax & Regulations Code section 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)."

**DRAFT Language for 2013 CBA (which will apply to 2014 Calendar Year)**

**KEY FEATURE #1: Create meaningful engagement with the community** Microsoft is committed to meaningful engagement with the community. It is especially important for employees to have direct and sustained engagement with the community.

- Microsoft will sponsor at least two volunteer days in 2014 where employees will be enabled by senior management to participate in volunteerism. Employees will be compensated for these community volunteer activities as if they were usual work days.
- ~~Microsoft will encourage employees to volunteer in the Central Market and Tenderloin neighborhoods by sponsoring at least two volunteer day in 2014 and encouraging their ongoing participation where employees will be enabled by senior management to participate in volunteerism. Employees will be compensated for these community volunteer activities as if they were usual work days.~~
- Microsoft's community liaison and employees will select community-based organizations for volunteering, consistent with the Citizens Advisory Committee framework, and will notify the City Administrator's Office of its selections. Areas of interest expressed by Microsoft include access to quality affordable food, educating youth, preparing transitional age youth (18-24) for higher education/employment, services for seniors, and affordable housing and homeless programs for women and families.
- ~~Microsoft's community liaison and employees will select community-based organizations for volunteering, consistent with the Citizens Advisory Committee framework, and will notify the City Administrator's Office of its selections. Areas of interest expressed by Microsoft in year one include access to quality affordable food, educating youth, preparing transitional age youth (18-24) for higher education/employment, services for seniors, and affordable housing and homeless programs for women and families.~~
- In addition to volunteer day, Microsoft will organize at least one food or toy drive in 2014.
- ~~In addition to volunteer day, Microsoft will organize at least one food or toy drive in 2013.~~
- Microsoft will work with the Department of Aging and Adult Services to identify organizations supporting seniors and partner with them to provide nourishing meals and/or social visits.

- Microsoft will encourage employees to join Boards of Directors of local community nonprofits, to lend their fiscal and personal expertise to governance of local community based organizations.

## **KEY FEATURE #2: Support nonprofit communication with Yammer**

Today's knowledge workers need content and the ability to effectively collaborate and communicate with coworkers, partners, and customers using systems that are accessible from multiple devices whether in the office or out in the field, and the Microsoft/Yammer platform makes this possible.

- At least 10 nonprofit organizations in the Central Market and Tenderloin neighborhoods will be able to receive licenses for Yammer Enterprise along with access to a Customer Success Manager ("CSM"). The CSM will work with the organization to develop a successful Enterprise Social Network strategy that aligns with your objectives.
- Nonprofits will be eligible to receive the O365 suite for free, consistent with the Microsoft O365 for Nonprofits initiative. In order to be eligible, a nonprofit must have a 501(c)3 designation.
- Interested organizations are encouraged to email Cristina Akimoff at [cakimoff@yammer-inc.com](mailto:cakimoff@yammer-inc.com) if they would like to participate in the program. Organizations will be chosen by a committee of Yammer employees.

## **KEY FEATURE #3: Establish a local nonprofit product donation program**

Microsoft is interested in providing support to organizations whose work benefits the Central Market and Tenderloin neighborhood, through the donation of products purchased and/or offered for sale by Microsoft.

- Microsoft will support qualifying NGO's in the Central Market and Tenderloin neighborhood with donated software, through its partner TechSoup.
- Through its subsidiary Yammer, Microsoft will establish a hyper local nonprofit grant program supporting nonprofits with cash contributions. It's anticipated the contributions will be divided up as follows: 40% education, 20% food justice, 15% seniors, 15% homelessness, 10% arts. This program will have a budget no less than \$50,000.

## **KEY FEATURE #4: Improve educational outcomes for youth**

Microsoft is committed to improving educational outcomes for youth, and ending disparities that impact young women and people of color.

- Microsoft will work with community nonprofits and SFUSD to obtain the clearances needed to allow employees to volunteer at local schools including the Tenderloin Community School, Bessie Carmichael Elementary School and other independent schools in the Central Market and Tenderloin area.
- ~~Microsoft will encourage employees to volunteer as tutors at local schools, including the Tenderloin Community School, Bessie Carmichael Elementary School and other independent schools in the Central Market and Tenderloin area.~~
- On at least one occasion, Microsoft will send a group of at least 10 employees to the Tenderloin Community School to assist teachers with classroom activities.
- Through Microsoft's YouthSpark initiative, it will work with Boys & Girls Clubs, Year Up, and/or Network for Teaching Entrepreneurship to support technology awareness in youth, including participation in training programs.
- ~~Through Microsoft's YouthSpark initiative, it will work with one of its national partners: Boys & Girls Clubs, Year Up, City Year, or NFTE to advance technology awareness in youth.~~
- Microsoft will partner with at least one organization serving transitional age youth (aged 18-24) to provide opportunities for mentoring (i.e. career days, mock interviews, on-site lunches, etc.) or matching grants for youth led programs.
- ~~Microsoft will partner with at least one organization serving transitional age youth (aged 18-24) to provide opportunities for mentoring (i.e. career days, on-site lunches, etc.) or matching grants for youth led programs.~~

#### **KEY FEATURE #5: Support local arts and cultural groups**

Microsoft is committed to support local arts and cultural institutions in the area. Over the course of the first year of the Microsoft CBA, Microsoft's community liaison and interested employees will visit arts organizations to determine the best partnerships moving forward:

- Microsoft will organize attendance to local Central Market and Tenderloin arts groups at least three times annually, by organizing and paying for groups of employees to attend local performances. Microsoft will accept requests from local arts organizations at [cakimoff@yammer-inc.com](mailto:cakimoff@yammer-inc.com) and select appropriate community organizations.
- Microsoft will encourage employees to attend local arts and cultural programming at least three times annually, organizing and paying for groups of employees to

attend local performances and making information on these opportunities available.

- Microsoft will support qualifying NGO's in the Central Market and Tenderloin neighborhood with donated software, through its partner TechSoup.

## **KEY FEATURE #6: Support physical neighborhood improvements**

Like every community, the Central Market and Tenderloin needs neighborhood improvements to continually provide safe, clean spaces for people to work and play, and to move people and goods throughout the area. Microsoft will work with community members to improve the urban forest and support transportation improvements that benefit the entire community in the following ways:

~~Like every community, the Central Market and Tenderloin needs neighborhood improvements to continually provide safe, clean spaces for people to work and play, and to move people and goods throughout the area. In year one of the CBA Microsoft will work with community members to improve the urban forest and support transportation improvements that benefit the entire community in the following ways:~~

- Microsoft will make employees aware of the Department of Public Works' Community Clean Team event in District Six next year so they may participate.
- Microsoft will participate in the "Sunday Streets" event in the Central Market and Tenderloin area on April 13, 2014 in a manner to be determined by mutual agreement of Microsoft and the City Administrator.
- ~~• If there is a "Sunday Streets" event in Central Market/Tenderloin, Microsoft will make employees aware of it.~~
- Microsoft will consult with the San Francisco Bicycle Coalition on ideas for improvements in the Central Market and Tenderloin that would benefit those who bicycle.

## **KEY FEATURE #7: Commit to local purchasing**

Keeping dollars in the local community is an important part of community benefits agreements. In making purchasing decisions, it is critical that Microsoft source from local small businesses, caterers, suppliers and restaurants where feasible.

- Microsoft will commit to use good faith efforts to purchase goods and services from small businesses, local caterers, suppliers, and restaurants in the local community in 2014.



## KEY FEATURE #8: Appoint a community liaison

It is imperative that community members have a single point of contact to submit requests, concerns or compliments to Microsoft. This liaison will ensure that community voices are heard and that employees know which internal person to contact when they are interested in getting involved in the community.

- Microsoft designates Jonathan Noble as the community liaison. Jonathan can be reached at ~~change to another~~ [Mid-Market Matters](#) email address [\(tbd\)](#).--

## REPORTING AND EVALUATION

Microsoft will report progress on its Community Benefit Agreement to the City Administrator at least once a month, in a manner prescribed by the City Administrator. Progress reports on key features shall include information sufficient to determine progress and completion, including but not limited to e-mails, public communications, invoices, grant agreements, or verification provided by participating community organizations. These documents shall become part of the public record in the Office of the City Administrator, and summaries will be shared with the Citizens Advisory Committee.

Microsoft may request that the City Administrator determine whether an item is complete, and the City Administrator will respond within 30 days. Information on completed items will be posted on the City Administrator's website.

### **Evaluation & Reporting**

~~The legislation authorizing the Central Market and Tenderloin Payroll Tax Exclusion requires the City Administrator to report on an annual basis on the program's success. In addition, the Citizens' Advisory Committee is required to report to the Board of Supervisors on a regular basis. To meet these reporting requirements, it is necessary for Microsoft to report on its progress in meeting the Community Benefits Agreement's goals and objectives.~~

- ~~• Microsoft will report on its progress meeting goals and objectives in this CBA by reporting to the City Administrator once each quarter on which items have been completed, which have begun and are in progress, and which have not yet begun. A form will be provided for this report.~~

- ~~• Completion of at least 80% of items in the CBA will be deemed as successful, provided that a good faith effort was made to achieve all items.~~

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