

~~Draft Submitted 12/13/13~~

**COMMUNITY BENEFIT AGREEMENT 2014 RENEWAL**

between

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

and

**ONE KINGS LANE, INC.**

THIS COMMUNITY BENEFITS 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 ONE KINGS LANE, INC. ("One Kings Lane") 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;" and

WHEREAS, One Kings Lane 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 in 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 One Kings Lane for this purpose; and,

WHEREAS, One Kings Lane and the City Administrator have mutually agreed to the terms of One Kings Lane 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, One Kings Lane will seek to:

1. Create meaningful engagement in the neighborhood with activities that connect One Kings Lane employees with the Central Market and Tenderloin community.
2. Continue its local product donation program, focusing on donation of home goods to local organizations serving women, families, and workforce development initiatives.
3. Develop long-term relationships with organizations dedicated to the education and recreational development of children living in the Central Market and Tenderloin area.
4. Continue its commitment to local purchasing with providers and vendors based in the Central Market and Tenderloin area.

WHEREAS, One Kings Lane will expend ~~good faith commercially reasonable~~ 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 One Kings Lane 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 that One Kings Lane is eligible for the exclusion; and,

WHEREAS, the Parties each acknowledge and understand that, pursuant to Section 906.3(c)(5), One Kings Lane may request that the City Administrator enter into other Community Benefit Agreements with One Kings Lane 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 One Kings

Lane 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 One Kings Lane Community Benefit Agreement 2014 that is attached and incorporated herein by reference as Appendix A, as One Kings Lane's 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 One Kings Lane Community Benefit Agreement 2014 Memorandum of Understanding to be duly executed as of the date first specified herein.

**CITY ADMINISTRATOR**

**ONE KINGS LANE, INC**

By:

By:

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

\_\_\_\_\_  
**DINESH LATHI**  
**CHIEF FINANCIAL OFFICER**

-- Appendix A --

**ONE KINGS LANE COMMUNITY BENEFIT AGREEMENT 2014 RENEWAL**

One Kings Lane, Inc. ("One Kings Lane") 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 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)."

As One Kings Lane enters its second year being headquartered in the Central Market and Tenderloin area, and enters its second Community Benefits Agreement, it believes that its highest priorities for the neighborhood are fostering connections with local organizations serving women, families and youth, and nurturing deeper relationships with community organizations working to improve positive outcomes in the Tenderloin and Central Market neighborhood.

In sharing this Community Benefits Agreement with the City and County of San Francisco, One Kings Lane would like to emphasize its commitment to the neighborhood, and its intention that One Kings Lane team members continue to grow and build meaningful relationships with the community. One Kings Lane believes it can fulfill its commitment to the community and honor the required Community Benefit Agreement in the following ways:

**KEY FEATURE #1: Foster meaningful engagement with the community**

As a fellow neighbor, One Kings Lane is dedicated to meaningful engagement with the Central Market and Tenderloin community and believes it is especially important for employees to have direct and sustained engagement with the community.

One Kings Lane will facilitate and organize employee volunteer activities in the Central Market and Tenderloin neighborhoods at least twice per quarter. Employees will be compensated for these community volunteer activities as if they were usual work periods.

~~One Kings Lane will facilitate and organize employee volunteer in the Central Market and Tenderloin neighborhoods. Employees will be compensated for these community volunteer activities as if they were usual work periods.~~

One Kings Lane's community liaison and employees will select community-based organizations for volunteer activities and will notify the City Administrator's Office of its selections. Areas of interest expressed by One Kings Lane in year two continue to include affordable housing and homeless programs for women, families, and youth.

~~One Kings Lane's community liaison and employees will select community-based organizations for volunteer activities and will notify the City Administrator's Office of its selections. One Kings Lane will commit to at least two volunteer activities per quarter, and areas of interest expressed by One Kings Lane in year two continue to include affordable housing and homeless programs for women, families, and youth.~~

## **KEY FEATURE #2: Support the San Francisco workforce**

As the company enters its second CBA year, One Kings Lane will increase its focus on supporting programs dedicated to breaking the cycle of poverty, bridging the technical divide, and promoting local workforce development.

One Kings Lane will partner with Community Housing Partnership to support its Training and Development Center on 5<sup>th</sup> and Harrison Streets. One Kings Lane will offer input and design expertise to help in the creation of a productive working environment at the Training and Development Center, provide volunteer support, and help with Community Housing Partnership's job readiness programs through interview training, reception desk and customer service training.

## **KEY FEATURE #3: Continue local nonprofit product donation program**

One Kings Lane is interested in providing support to organizations whose work benefits the Central Market and Tenderloin neighborhood through the donation of home goods offered for sale on One Kings Lane.

One Kings Lane will continue its local nonprofit grant program throughout 2014 to support nonprofits in the Central Market and Tenderloin with a minimum donation of \$25,000 worth of donated home goods during the year. Organizations interested in product donations can apply by contacting One Kings Lane's

community liaison with information about their organization, the types of products and quantities requested, and how those items will be used by the organization.

**KEY FEATURE #4: Develop long-term relationships with organizations dedicated to the education and recreational development of children living in the Central Market and Tenderloin Area**

One Kings Lane is committed to improving developmental outcomes for youth, with a special focus on supporting our neighborhood youth in the Central Market and Tenderloin area. One Kings Lane will establish ongoing programs with local organizations and schools including Bessie Carmichael and the Tenderloin Community School and will organize and facilitate employees to serve as mentors and volunteers in areas that support recreation and positive outcomes for youth in our neighborhood.

~~One Kings Lane is committed to improving developmental outcomes for youth, with a special focus on supporting our neighborhood youth in the Central Market and Tenderloin area. One Kings Lane will establish ongoing programs with local organizations that serve the needs of children, teens, and transitional age youth (aged 18-24) and will encourage employees to serve as mentors and volunteers in activities that support education, recreation, and positive outcomes for youth in our neighborhood.~~

**KEY FEATURE #5: Support the arts community**

As a home décor retailer, One Kings Lane and its staff members are passionate about design and supporting the arts. In its second year of the Community Benefits Agreement, One Kings Lane will partner with the local art community to create a special online sale featured on One Kings Lane. Proceeds from the online sale will support a local nonprofit organization, to be selected by One Kings Lane, that directly supports the local arts community. Arts organizations interested in participating in this initiative should contact One Kings Lane's community liaison and provide detailed information about their organization and how the organization works with and supports local artists.

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

The Central Market and Tenderloin needs neighborhood improvements to continually provide safe, clean spaces for people to work and play throughout the area. In year two of the CBA, One Kings Lane will work with community members on improvements that benefit the entire community in the following ways:

One Kings Lane employees will participate in at least one community gardening event in 2014, through a combination of employee volunteerism or direct contribution.

~~One Kings Lane employees will participate in at least one urban forestry event in 2014, through a combination of employee volunteerism or direct contribution.~~

One Kings Lane will make employees aware of the Department of Public Works' Community Clean Team event in District Six so they may participate.

~~One Kings Lane 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 One Kings Lane and the City Administrator.~~

~~If there is a "Sunday Streets" event in Central Market/Tenderloin, One Kings Lane will make employees aware of it.~~

### **KEY FEATURE #7: Continue local purchasing**

Keeping dollars in the local community is an important part of community benefits Agreements, and after its first year in Central Market One Kings Lane employees have become regular patrons of local businesses and will continue to frequent the diverse restaurants, cafes, and shops that make this neighborhood special.

In making purchasing decisions, One Kings Lane will make good faith efforts to purchase goods and services from small businesses, local caterers, suppliers, and restaurants in the Central Market and Tenderloin community in 2014.

### **REPORTING AND EVALUATION**

~~One Kings Lane 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.~~

~~One Kings Lane 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.~~

~~To meet these reporting requirements, One Kings Lane will report on its progress meeting goals and objectives in this CBA by reporting to the City Administrator on an ongoing basis. 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.~~

**-end-**