

**COMMUNITY BENEFIT AGREEMENT 2013**

**MEMORANDUM OF UNDERSTANDING**

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

between

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

And

**21TECH, LLC,**

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**THIS COMMUNITY BENEFIT AGREEMENT 2013 MEMORANDUM OF UNDERSTANDING** is made as of January 1, 2013 in the City and County of San Francisco, State of California, by and between **21TECH, LLC, ("21Tech, LLC")** 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**, 21Tech, LLC 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 2013 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 21Tech, LLC for this purpose; and,

**WHEREAS**, 21Tech, LLC and the City Administrator have mutually agreed to the terms of 21Tech, LLC Community Benefit Agreement 2013 that is attached and incorporated herein by reference as Appendix A; and,

**WHEREAS**, as set forth in this Community Benefit Agreement 2013, 21Tech, LLC will seek to:

1. Provide IT services to community based neighborhood organizations
2. Support and mentor small disadvantaged local business
3. Support workforce development
4. Improve educational outcomes for youth
5. Support physical neighborhood improvements
6. Commit to local purchasing
7. Appoint a community liaison

**WHEREAS**, 21Tech, LLC will expend commercially reasonable efforts to fulfill its responsibilities under this Community Benefit Agreement 2013; and,

**WHEREAS**, the Parties each acknowledge and understand that this Community Benefit Agreement is entered into and binding upon 21Tech, LLC for calendar year 2013 pursuant to San Francisco Business and Tax Regulations Code §906.3, provided that OEWD (as verified by the Treasurer-Tax Collector) finally determines that 21Tech, LLC is eligible for the exclusion; and,

**WHEREAS**, the Parties each acknowledge and understand that, pursuant to Section 906.3(c)(5), 21Tech, LLC may request that the City Administrator enter into other Community Benefit Agreements with 21Tech, LLC 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 21Tech, LLC Community Benefit Agreement 2013 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 2013 Memorandum of Understanding and hereby adopt the 21Tech, LLC Community Benefit Agreement 2013 that is attached and incorporated herein by reference as Appendix A, as 21Tech, LLC's calendar year 2013 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 21Tech, LLC Community Benefit Agreement 2013 Memorandum of Understanding to be duly executed as of the date first specified herein.

**CITY ADMINISTRATOR**

**21TECH, LLC.**

By:

**NAOMI M. KELLY**  
**CITY ADMINISTRATOR**

**DILRAJ KAHAI**  
**CHIEF EXECUTIVE OFFICER**

-- Appendix A --

**21TECH, LLC COMMUNITY BENEFIT AGREEMENT 2013**

21Tech, LLC ("21Tech, LLC") will focus its efforts in establishing, as set forth in this 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)." Collectively called "mid-Market."

21Tech is a small, local IT services company that moved into the Civic Center neighborhood approximately 5 years ago, and has been closely involved with the local community for several years. In the past year, 21Tech has donated to the Boys and Girls club of San Francisco, and has subcontracted approximately 20% of its revenue earned in the City back to local, disadvantaged or minority/women owned businesses. In addition, we have utilized First Source program and will continue to use them in future hires. As a graduate of the HRC program of San Francisco, 21Tech is keenly aware of the difficulties small and minority/women owned businesses face in IT, and have helped several candidates enroll in the program to assist them in winning contracts and clients.

As 21Tech, LLC enters its first Community Benefit Agreement, it believes that the highest priorities for the community are workforce development and job stability, creating equity, bridging the digital divide, and fostering an intimate and organic relationship with the numerous community organizations working to improve the Tenderloin and the mid-Market area.

In creating this Community Benefit Agreement with the City and County of San Francisco, an agreement included in the application process for the payroll expense tax exclusion in Central Market Street and Tenderloin area, 21Tech, LLC would like to emphasize that our intention is to grow the Community Benefit Agreement each consecutive year that we take advantage of the payroll tax exclusion. This has allowed 21Tech, LLC to create a Community Benefit Agreement that is scalable, and as it grows, will not exhaust 21Tech, LLC's resources so that we can continue to deliver an increasingly robust CBA. 21Tech, LLC believes it can fulfill its commitment to the community and honor the required Community Benefit Agreement in the following ways:

**KEY FEATURE #1: Create meaningful engagement with the community** As a new neighbor in the Central Market and Tenderloin, 21Tech, LLC is committed to meaningful engagement with the community. It is especially important for employees to have direct and sustained engagement with the community.

21Tech LLC, will select five community based organizations depending on the size and complexity of the project for IT strategy consulting services consistent with the Citizen's Advisory Committee framework, and will notify the City Administrator's office of its selections. 21Tech will encourage employees to volunteer IT services and consultant work to these organizations and will be compensated for these community volunteer activities as if they were usual work days for up to 50 hours/year in aggregate.

**KEY FEATURE #2: Support and mentor small disadvantaged local business**

There are a number of disadvantaged businesses in San Francisco that are locally owned and have a strong staff, but lack the access to clients or partners that can sustain a growth into a thriving business. Given that 21Tech went through the City program designed to assist small disadvantaged business with set aside contracts, we are keenly aware of what it takes to succeed in the IT services or product world as a small business. We would like to help companies by giving them some of the knowledge we have gained over the years.

21Tech LLC will commit to registering an IT services or product company within the City local contracting program in the next year and be there to mentor that company through RFP bids, networking with clients, and with introductions to potential partners.

**KEY FEATURE #3: Support workforce development**

As good-paying jobs are created in the Central Market and Tenderloin, it is crucial that all people have access to economic growth. Since some San Franciscans face barriers to employment or lack required skills, the United States Department of Labor has funded TechSF, an initiative to train and place workers in these companies. Mayor Lee announced a commitment to create 2,500 tech jobs for these individuals in the next five years. This Community Benefit Agreement helps support these goals as follows:

*Training and hiring San Franciscans*, 21Tech, LLC will partner with the City and County of San Francisco to train and hire eligible and qualified San Franciscans through the First Source Hiring program, which works in conjunction with community-based organizations specializing in providing training and placement for jobs or internships.

For local merchants, 21Tech LLC will host two brown bag lunch open houses and invite local merchants, senior citizens, youth, disadvantaged and other community members to discuss methods to bridge the digital divide and educate them on marketing/strategies and online presence.

21Tech, LLC will participate in the TechSF initiative by attending at least one TechSF event

in 2013, and maintaining regular contact with the City Administrator's Office of Innovation on its progress.

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

21Tech, LLC is committed to improving educational outcomes for youth, and ending disparities that impact young women and people of color.

21Tech LLC will make an attempt in good faith effort to hire a local High School or College Intern and provide an insight into a career path in IT.

21Tech, LLC 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.

#### **KEY FEATURE #5: 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. 21Tech, LLC will work with community members to improve the urban forest and support transportation improvements that benefit the entire community in the following ways:

21Tech, LLC will make employees aware of the Department of Public Works' Community Clean Team event in District Six next year so they may participate.

21Tech, LLC will participate in the public process to determine improvements to local transportation, including the renovation process of BART station entrances.

If there is a "Sunday Streets" event in Central Market/Tenderloin, 21Tech, LLC will make employees aware of it.

21Tech, LLC 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 #6: 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 21Tech, LLC source from local small businesses, caterers, suppliers and restaurants where feasible.

21Tech, LLC will commit to using commercially reasonable efforts to purchase goods and services from small businesses, local caterers, suppliers, and restaurants in the local community. In 2013, 21Tech's goal will be for 75% of staff lunches, client meetings, catered events and other special events to be purchased through local merchants.

#### **KEY FEATURE #7: Appoint a community liaison**

It is imperative that community members have a single point of contact to submit requests, concerns or compliments to 21Tech, LLC. 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.

21Tech, LLC designates Deborah Trette as the community liaison Deborah can be reached at Deborah.Trette@21tech.com

**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 21Tech, LLC to report on its progress in meeting the Community Benefits Agreement's goals and objectives.

21Tech, LLC 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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