

**COMMUNITY BENEFIT AGREEMENT 2015-2018**

**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 MEMORANDUM OF UNDERSTANDING** is made as of January 1, 2015 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,

**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 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 2015 with the City Administrator to be granted its payroll tax exclusion; and,

**WHEREAS**, Microsoft believes that a 4-year Community Benefit Agreement avails Microsoft of the opportunity to better engage in long-term planning and long-term investments and partnerships with local community organizations; and,

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

**WHEREAS**, Microsoft and the City Administrator have mutually agreed to the terms of Microsoft's Community Benefit Agreement 2015-2018, which is attached and incorporated herein by reference as Appendix A; and,

**WHEREAS**, As set forth in this Community Benefit Agreement 2015-2018, Microsoft will seek to continue to:

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 2015-2018; and,

**WHEREAS**, The Parties each acknowledge and understand that this Community Benefit Agreement is entered into and binding upon Microsoft for calendar years 2015-2017 pursuant to San Francisco Business and Tax Regulations Code §906.3, provided that Microsoft files an affidavit with OEWD affirming that it continues to meet the

eligibility criteria pursuant to §906.3(c)(2) and that OEWD informs the Office of the City Administrator that Microsoft is eligible for the exclusion; and,

**WHEREAS**, The Parties each acknowledge and understand that if the City Administrator determines that Microsoft has successfully carried out its obligations under the CBA for calendar years 2015 through 2017 and OEWD determines that Microsoft is eligible for the exclusion for calendar year 2018, the CBA shall be extended for the 2018 calendar year and Microsoft shall carry out its obligations under the CBA for that year; and,

**WHEREAS**, The Parties each acknowledge and understand that if during the term of the CBA there is deemed by either party to be a substantial change in the size of Microsoft's annual payroll or the size of Microsoft's fixed place of business within the Central Market Street and Tenderloin Area, either Party may reopen the CBA for the next calendar year by giving the other Party written notice no later than November 1; and,

**WHEREAS**, The Parties each acknowledge and understand that if during the term of the CBA the City Administrator determines, in his or her sole discretion, that Microsoft has failed to successfully carry out its obligations under the CBA, the City Administrator may reopen the CBA for the next calendar year by giving Microsoft written notice no later than November 1; and,

**WHEREAS**, The Parties each acknowledge and understand that if Microsoft elects not to take advantage of the Section 906.3 tax benefit and gives written notice of that decision to the City Administrator no later than November 1, Microsoft shall not be required to carry out its obligations under the CBA for the following calendar year; and,

**WHEREAS**, If Microsoft gives written notice of that decision to the City Administrator by November 1, the City Administrator will notify OEWD and the Treasurer-Tax Collector that Microsoft is no longer a party to a binding Community Benefit Agreement as required by Section 906.3(c)(5); and,

**WHEREAS**, The Parties wish to memorialize their agreement to the Microsoft Community Benefit Agreement 2015-2018 that is attached and incorporated herein by reference as Appendix A, by a Memorandum of Understanding.

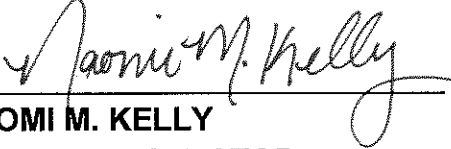
**NOW, THEREFORE**, The Parties voluntarily enter into this Community Benefit Agreement Memorandum of Understanding and hereby adopt the Microsoft Community Benefit Agreement 2015-2018 that is attached and incorporated herein by reference as Appendix A, as Microsoft's binding Community Benefit Agreement with the City Administrator for calendar years 2015-2018 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 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:   
\_\_\_\_\_  
**KRISTIAN ANDAKER**  
**GENERAL MANAGER**

-- Appendix A --

**MICROSOFT COMMUNITY BENEFIT AGREEMENT 2015-2018**

Yammer ("Microsoft") 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 and Tenderloin neighborhood area.

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)."

## **KEY FEATURE #1: Create meaning engagement with the community**

Yammer is committed to meaningful engagement with the community. It is especially important for employees to have direct and sustained engagement with the community.

- Yammer will sponsor at least two volunteer days in for each year of this agreement where employees will participate in volunteerism centralized in the Mid-Market and Tenderloin neighborhoods. Employees will be compensated for these community volunteer activities as if they were usual work days.
- Yammer employees will volunteer for a minimum 200 hours (over and beyond the two “volunteer days”) in local schools and organizations. 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 education, workforce development, and access to technology for the residents of Mid-Market.
- In addition to volunteer days and hours, Yammer will organize at least two drives or major office donations in for each year of this agreement.
- Yammer will encourage employees and senior management to join Boards of Directors of local community nonprofits, to lend their fiscal and personal expertise to governance of local community based organizations.
- Yammer will make its “Mid-Market Matters” initiative a part of on-boarding for all employees including a Tenderloin tour and/or a volunteer activity.
- Equally important to Yammer employees being engaged in the community, it is important for Yammer to be a good neighbor by utilizing our office to benefit the community. Yammer commits to a minimum of 3 events in their space per year, including but not limited to non-profit fundraisers, non-profit team or stakeholder meetings, and non-profit events.

## **KEY FEATURE #2: Support nonprofit communication with Microsoft products**

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. Microsoft platform makes this possible, further bridging the gap in the digital divide.

- Nonprofits will be eligible to receive the 0365 suite for free, consistent with the Microsoft 0365 for Nonprofits initiative, at a total value of no less than \$150,000 for each year of this agreement. In order to be eligible, a nonprofit must have a 501(c)3 designation.
- Interested organizations are encouraged to email Cristina Akimoff Fink at [crakimof@microsoft.com](mailto:crakimof@microsoft.com) if they would like to participate in the program.

### **KEY FEATURE #3: Support the community with a hyper-local nonprofit product and cash donation program**

Yammer 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 and cash grants.

- Yammer will continue its hyper-local nonprofit grant program by supporting nonprofits with cash contributions. This program will have a budget of no less than \$50,000 for each year of the agreement.
- Microsoft will match employee cash and product donations dollar for dollar and match volunteer hours at \$17/hour towards the non-profit.

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

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

- Through Microsoft's YouthSpark initiative, Yammer will work with Boys & Girls Club, TEALS, and Year Up to support technology awareness in youth, including participation in training programs.
- Yammer commits to offering at least one paid internship to a local resident through Year Up.
- Yammer 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.).

- Yammer is committed to continuing their partnership with Safe Passage, to provide a safe route home from school in the Tenderloin.
- Yammer will continue send volunteer employees to teach technology enrichment classes at De Marillac Academy or other interested organizations. A minimum of 1 class will be taught each year.
- Yammer's community liaison will keep mid-Market organizations informed of the free classes offered at the Microsoft store for residents to take advantage of.

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

Microsoft is committed to supporting local arts and cultural institutions in the area.

- Microsoft will support local art and cultural programming at least three times annually, including but not limited to organizing and paying for groups to employees to attend local performances, opening up the Yammer offices for performing arts, sponsoring art shows, and making information on these opportunities available to employees for participation.
- Microsoft will support qualifying NGO's in the Central Market and Tenderloin neighborhoods with donated software, through its partner Techsoup. Interested organizations are encouraged to email Cristina Fink at [crakimof@microsoft.com](mailto:crakimof@microsoft.com) if they would like to participate in the program.

**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. Yammer will work with community members to improve the urban forest and support transportation improvements that benefit the entire community in the following ways:

- Yammer will participate in a Department of Public Works' Community Clean in District Six.
- Yammer will support and participate in Bike to Work Day in for each year of this agreement.



- Yammer will sponsor at least one bike safety program that is open to employees as well as the community.
- Yammer employees will participate in at least one community garden clean up, planting, and/or harvest per year in conjunction with our Give Days (days of service) and/or team building community events.

#### **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 Yammer source from local small businesses, caterers, suppliers and restaurants where feasible.

- Yammer will commit to use good faith efforts to purchase local good and services from small businesses, local caterers, suppliers, and restaurants in the local community in for each year of this agreement spending a minimum of \$250,000.
- Yammer will continue to lead and facilitate monthly trips in the community and local farmer's market to promote local purchasing among employees.

#### **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 Yammer. This liaison will ensure that community voices are heard and the employees know which internal person to contact when they are interested in getting involved in the community.

- Yammer designates Cristina (nee Akimoff) Fink as the community liaison. Cristina can be reached at [crakimof@microsoft.com](mailto:crakimof@microsoft.com).
- Yammer commits to sending a community liaison to all CAC public hearings for reporting. If a community liaison is unable to attend a meeting of the Citizen's Advisory Committee, the community liaison will notify the Committee Staff via the Office of the City Administrator no later than 72 hours in advance of the meeting about the absence. If Yammer is not represented by a community liaison or company representative at four meetings within a 12 month period, this key feature shall not be deemed successfully completed.

- Yammer's community liaison will attend or send a representative to community tech talks and community information sessions.

### **Evaluation & Reporting**

- 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. Microsoft may provide such information as it deems necessary to demonstrate progress and completion, including but not limited to 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 provided they do not contain proprietary or confidential company information, and summaries will be shared with the Citizen's Advisory Committee.
- Within 60 days of January 1 of each calendar year of this agreement, Microsoft will provide the City Administrator with a quarterly delivery schedule for such calendar year, with completion dates to the extent practicable.
- The City Administrator will deem each year of this Community Benefit Agreement successful and completed if the items on Microsoft's delivery schedule are reasonably found to be either (i) substantially completed or (ii) if Microsoft made a good faith effort to achieve each item.

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