



**Economic Development Authority of the City of Richmond
Special Called Meeting Notice – April 16, 2024**

WHAT: The City of Richmond’s Economic Development Authority will hold a **Special Called Meeting**.

WHEN: Tuesday, April 16, 2024, at 5:00 P.M.

WHERE: Main Street Station, 1500 East Main Street, 3rd floor Conference Room

CONTACT: Glenna Chung at (804) 646-1507 or Glenna.Chung@rva.gov.

For more information about The City of Richmond’s Economic Development Authority (EDA),
Visit: <http://www.richmondeda.com>

Agenda

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND
SPECIAL CALLED MEETING APRIL 16, 2024 AGENDA

- I. Call to Order
 - A. Public Meeting Disclosure

- II. Comment (Maximum of Three Minutes Per Person)

- III. Meeting Minutes
 - A. Meeting Minutes – March Board Meeting

- IV. New Business
 - A. Diamond District Financing and Update
 - B. CoStar State Infrastructure Memorandum of Understanding Agreement
 - C. CoStar Local Property Tax Grant Performance Agreement

- V. Report of the Officers
 - A. Report of the Chairman
 - B. Report of the Secretary

- VI. Other Business

- VII. Adjournment

Meeting Minutes

Economic Development Authority (EDA) of the City of Richmond, Virginia
Board Meeting Minutes
Thursday, March 28, 2024

DRAFT

Members present:

Nupa Agarwal, Vice-Chairperson
Jer'Mykeal McCoy
Jéron Crooks
Nathan Hughes

Others present:

Bonnie Ashley – City of Richmond, City Attorney's Office
Leonard Sledge – Department of Economic Development
Katie McConnell – Department of Economic Development
Glenna Chung – Department of Economic Development
Lisa Jones – A. G. Reese & Associates

Call to Order:

Ms. Agarwal called the meeting to order at 5:26pm and Ms. Chung started recording the meeting.

Public Comments:

No public comments were received via email, phone, or otherwise by staff. Mr. Sledge read the public disclaimer.

Approval of Minutes of the Previous Meeting:

Mr. Sledge requested the Board to consider a motion to adopt the minutes of the February 22, 2024, Board Meeting as stated. Mr. Hughes moved to accept the minutes. Mr. McCoy seconded the motion. The Motion passed unanimously.

New Business:

February Financial Reports – Ms. Lisa Jones

Ms. Jones reviewed the attached EDA Financial Reports for February.

Mr. Sledge requested the Board to consider a motion to approve the February 2024 financial statements for the Economic Development Authority of the City of Richmond, Virginia. Mr. Hughes moved to accept the financial statements. Ms. Agarwal seconded the motion. The Motion passed unanimously.

Policy Regarding Participation In Meetings By Electronic Communication Means – Ms. Bonnie Ashley

Ms. Bonnie Ashley presented the proposed EDA policy regarding EDA participation in meetings by electronic communication means. The purpose of this policy is to comply with the requirements of section 2.2-3708.3 of the Code of Virginia to allow for and govern participation by one or more Directors in

meetings of the Board by electronic communication means and to allow for all-virtual public meetings.

Mr. Sledge requested the Board to consider a motion to approve the Policy Regarding Participation in Meetings by Electronic Communication Means for the Economic Development Authority of the City of Richmond, Virginia. Mr. McCoy made the motion. Mr. Crooks seconded the motion. The motion passed unanimously.

Operating Account Adjustments Due from the City of Richmond – Mr. Leonard Sledge

Mr. Sledge requested the Board to consider a motion to authorize the elimination of the current assets due from the City of Richmond, Virginia, in the amount of \$119,692.23. Ms. Agarwal made the motion. Mr. Hughes seconded the motion. The motion passed unanimously.

State and Local Performance Grants for PPD – Ms. Katie McConnell

Ms. McConnell presented the two performance agreements associated with the business attraction project announced by the City, in collaboration with the Virginia Economic Development Partnership and Henrico County, in March of 2022. PPD is a wholly owned subsidiary of Thermo Fisher Scientific.

Mr. Sledge requested the Board to consider a motion to authorize the Board Chair to execute a Commonwealth's Development Opportunity Fund Performance Agreement between the City of Richmond, PPD Development, LP, the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing PPD Development, LP with incentives to establish a bioanalytics laboratory facility at 737 North 5th Street in the city of Richmond. Ms. Agarwal made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

Mr. Sledge requested the Board to consider a motion to authorize the Board Chair to execute a Performance Agreement between the City of Richmond, PPD Development, LP, and the Economic Development Authority of the City of Richmond for the purpose of providing a grant to PPD Development, LP to establish, equip, and operate a new bioanalytics laboratory at 737 North 5th Street in the city of Richmond. Ms. Agarwal made the motion. Mr. McCoy seconded the motion. The motion passed unanimously.

Report to the Officers:

Report of the Chairman – Ms. Nupa Agarwal

Ms. Agarwal reported that neither she nor Mr. John Molster have any updates to report.

Report of the Secretary – Mr. Leonard Sledge

Mr. Sledge reported that the Mayor introduced the FY 2025 budget proposal to City Council for the City of Richmond on Wednesday, March 27th, 2024.

Included in the Economic Development budget, \$1M is allotted to the EDA to assist in development projects, attraction of new businesses and existing business retention. In the City's Capital Improvement Program budget, \$7.9M funding is allotted for key Diamond District infrastructure projects including utilities, complete streets, and park space.

Other Business:

No other business discussed.

Adjournment:

The meeting adjourned at 5:58pm and Ms. Chung stopped recording.

Respectfully submitted:

Secretary to the meeting

Approved:

John Molster, Chair

Diamond District Financing and Update

**CoStar State Infrastructure Memorandum of
Understanding Agreement**

INTRODUCED: April 8, 2024

AN ORDINANCE No. 2024-108

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program between the City of Richmond, the Commonwealth of Virginia, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing CoStar Realty Information, Inc., with incentives for the development of infrastructure of existing and planned facilities at its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: APR 22 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program between the City of Richmond, the Commonwealth of Virginia, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of

AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

providing CoStar Realty Information, Inc., with incentives for the development of infrastructure of existing and planned facilities at its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond. The Memorandum of Understanding Property Analytics Firm Infrastructure Grant Program shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:

City Attorney's Office

Text of Legislative File Admin-2024-0226

City of Richmond
Intracity Correspondence

O&R REQUEST

DATE: March 6, 2024 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Senior Manager, Department of Budget and Strategic Planning

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer

FROM: Leonard L. Sledge, Director, Department of Economic Development

RE: Approval of the Memorandum of Understanding between the City of Richmond, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond.

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Memorandum of Understanding between the City of Richmond, CoStar Realty Information, Inc., the Virginia Economic Development Partnership Authority, and the Economic Development Authority of the City of Richmond for the purpose of providing CoStar Realty Information, Inc., with incentives for the development of infrastructure to serve the Company's existing and expansion facilities located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond.

REASON: CoStar Realty Information, Inc's regional headquarters expansion provides significant economic development benefits for the city. The project:

- Will create 1,984 new jobs, with an annual average wage of at least \$85,000;

- Involves more than \$460.5 million in private capital investment in the site;
- Enhances general fund revenue creation- an estimated \$30.6 million in new taxes over the next ten years;
- Develops an underutilized parcel of prime real estate, providing greater activation of the riverfront;
- Will generate new foot traffic for retail and service businesses downtown; and
- Demonstrates Richmond’s strength as a location for growing corporations.

RECOMMENDATION: The City Administration recommends the adoption of this ordinance.

BACKGROUND: In December 2021, following a competitive site selection search process, CoStar Realty Information, announced its decision to expand its regional headquarters and research and technology campus at 501 South 5th Street and 600 Tredegar Street which it has occupied since 2016. The company announced that it would invest \$460.5 million and create 1,984 new jobs with an average wage of over \$85,000.

As part of its collaborative proposal with the City to induce the Company to expand in Richmond, the Commonwealth offered two incentives: (1) the “Market-Based Sourcing” incentive, which reduces the Company’s corporate income tax burden (and to which the city is not a party to) and (2) a \$15,000,000 infrastructure grant program to reimburse the Company for infrastructure improvements like site grading and utilities on and around the site. The Memorandum of Understanding between Costar Realty Information Inc., the City, the Virginia Economic Development Partnership Authority (VEDP), and the Economic Development Authority of the City of Richmond (EDA) sets forth the terms and conditions under which the one-time infrastructure grant (state money) will be paid to the Company by the EDA.

CoStar’s continued investment in the city is an economic development success for Richmond’s growing professional services and technology sectors and a demonstration of Richmond’s potential as a corporate/regional headquarters.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: The expansion of corporate headquarters and professional services companies aligns with the initiatives laid out in the City’s adopted Strategic Plan for Equitable Economic Development (SPEED).

FISCAL IMPACT: The project is projected to generate an estimated \$30.6 million in new revenue over the next ten years. There are no city funds associated with the state infrastructure grant.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: April 8, 2024

CITY COUNCIL PUBLIC HEARING DATE: April 22, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: The Economic Development Authority of the City of Richmond

AFFECTED AGENCIES: Department of Economic Development, the Department of Budget and Strategic Planning, and the Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Memorandum of Understanding for the Property Analytics Firm Infrastructure Grant Program

STAFF: Leonard L. Sledge, Director, Department of Economic Development (804) 646-7576
Katie McConnell, Deputy Director, Department of Economic Development (804) 646-3171
Sam Earl, Senior Management Analyst, Department of Economic Development (804) 646-4248

MEMORANDUM OF UNDERSTANDING

PROPERTY ANALYTICS FIRM INFRASTRUCTURE GRANT PROGRAM

THIS MEMORANDUM OF UNDERSTANDING (this “Memorandum”), dated as of the ____ day of _____, 2024, among the **COMMONWEALTH OF VIRGINIA** (the “Commonwealth”), **COSTAR REALTY INFORMATION, INC.**, a Delaware corporation authorized to transact business in the Commonwealth (the “Company”), the **CITY OF RICHMOND, VIRGINIA**, a municipal corporation and political subdivision of the Commonwealth (the “City”), the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “EDA”), and the **VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY**, a political subdivision of the Commonwealth (the “Authority”), provides:

Recitals

The Commonwealth, in consideration of the Company’s promises regarding Capital Investment and New Jobs, as such capitalized terms are defined below, intends to provide certain incentives under the Property Analytics Firm Infrastructure Grant program to be used for the development of infrastructure to serve the Company’s existing and planned Facilities (as defined below) in the city of Richmond for the Company’s real estate property information, and analytics business.

The 2022 session of the General Assembly has appropriated \$15 million, plus any accrued interest, to support the development of Facilities in the city.

The stimulation of the additional tax revenue and economic activity to be generated in the Commonwealth and the city by the Capital Investment and New Jobs constitutes a valid public purpose for the expenditure of public funds and is the animating purpose for the Grant.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, receipt of which is hereby acknowledged, the Commonwealth, the Company, the City, the EDA, and the Authority agree as follows:

Section 1. Definitions.

As used in this Memorandum:

“*Abandonment*” means the vacation of at least 75 percent of the total buildings located, or to be located, at 501 South 5th Street and 600 Tredegar Street in the city, continuously for more than 12 months.

“*Act*” means Chapter 1 of the 2022 Acts of the Virginia General Assembly, Special Session 1, and the specific appropriation provided for the Company’s benefit found in Item 112 of such Act.

“*Affiliate*” means any individual, firm, or corporation, directly or indirectly, through one or more intermediaries, controlling, controlled by, or under common control with the Company.

“*Authority*” means the Virginia Economic Development Partnership Authority, and its successors and assigns.

“*Average Annual Wage*” means the average total taxable income paid by the Company during the Grant Year to all employees who are included in either the Baseline Jobs or the New Jobs. The Average Annual Wage is determined by dividing the total payroll for all Baseline Jobs and New Jobs (as reflected in Box 5 of I.R.S. Form W-2) by the total number of Baseline Jobs and New Jobs.

“*Baseline Job*” means a full-time position at the Existing Facilities existing as of January 1, 2022.

“*Capital Investment*” means an expenditure by, on behalf of, or induced by the Company on or after January 1, 2022, in real property, tangible personal property, and direct project management costs, including, but not limited to, architecture and engineering services for the Facilities, or at the Facilities. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, building construction, expansion, up-fit, re-tooling, and improvements by or on behalf of the Company, including under a build-to-suit lease or sale-leaseback transaction, and land improvements, will qualify as Capital Investment. The costs incurred to bring the New Facilities to the condition necessary for its intended use, including costs of constructing, including finance costs as required to be capitalized under US generally-accepted accounting principles (GAAP), equipping and occupying of the New Facilities will qualify as Capital Investment. The cost of the Infrastructure Improvements will not qualify as Capital Investment, however, any infrastructure costs incurred by the Company over and above those outlined in this Memorandum shall qualify as Capital Investment.

“*Capital Investment Target*” means \$460,500,000 of Capital Investment made and retained through the Performance Date.,

“*City*” means the City of Richmond, Virginia, a municipal corporation and political subdivision of the Commonwealth, and its successors and assigns.

“*Company*” means CoStar Realty Information, Inc., a Delaware corporation, and its Affiliates, successors, and assigns.

“*EDA*” means the Economic Development Authority of the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia.

“*Existing Facilities*” means the Company’s current office facilities in the city as of January 1, 2022 located at 901 Semmes Avenue (Tax Map ID No. S0000031004) and the Company’s current principal operations facility located at 501 S. 5th Steet (Tax Map ID No. W0000043002).

“*Facilities*” includes the Existing Facilities and the New Facilities.

“*Fiscal Year*” means the Commonwealth’s fiscal year, which runs from July 1 of one calendar year to June 30 of the next calendar year.

“*Fund*” means the Property Analytics Firm Infrastructure Fund as established by the Act from which Grant Payments may be made to pay or reimburse the costs of the Infrastructure Improvements.

“*Grant*” means the Property Analytics Firm Grant in the maximum amount of up to \$15,000,000, plus any accrued interest in the Fund, to be made pursuant to the Act and in accordance with this Memorandum.

“*Grant Payments*” means the disbursements of the Grant from the Authority to the City from the Fund to pay or reimburse the costs of the Infrastructure Improvements, such payments to be made through the EDA to the Company.

“*Grant Year*” means January 1 of one calendar year through December 31 of that calendar year. The first Grant Year will run from December 1, 2021 to December 31, 2022.

“*Infrastructure Improvements*” means the infrastructure improvements for which costs were incurred after January 1, 2022, including commuter access and parking, pedestrian access, roadway and traffic improvements, safety enhancements, site preparation and utilities that will serve the Facilities, the employees of the Company, and other visitors to the vicinity of the Facilities, any similar or related public or private infrastructure improvements including costs incurred by the Company. The Infrastructure Improvements will be provided by the Company and are listed in Exhibit B.

“*Maintain*” means that the average number of New Jobs per Grant Year will continue without interruption from the date of creation through each date that the New Jobs Target is being tested. Positions for the New Jobs will be treated as Maintained during periods in which such positions are not filled due to (i) temporary reductions in the Company’s employment levels (so long as there is active recruitment for open positions), (ii) strikes, (iii) force majeure events (including, but not limited to, consequential effects of such events, including, but not limited to, pandemics, supply chain delays, temporary placement of New Jobs in locations outside of Richmond but in the Commonwealth), and (iv) other temporary work stoppages.

“*New Facilities*” means the space, building, group of buildings or corporate campus, including any related furniture, fixtures and business personal property, directly related to the expansion of the Existing Facilities, to be owned, or sold and leased back to the Company and in each case operated by or on behalf of the Company in the furtherance of its real estate information and analytics business on or after January 1, 2022.

“*New Job*” means new permanent full-time employment of an indefinite duration created on or after January 1, 2022, at, assigned to, or reporting to the Facilities for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an Average Annual Wage during the Grant Year of at least equal to \$85,000. New Jobs shall also include positions relocated from outside the Commonwealth after January 1, 2022 to the New

Facilities. Each New Job must require a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of the Company's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions, positions created when a job function is shifted from an existing location in the Commonwealth (except transfers between or among the Facilities), and positions with construction contractors, vendors, suppliers and similar multiplier, ancillary or spin-off jobs shall not qualify as New Jobs. The New Jobs must be in addition to the Baseline Jobs. If a position is assigned to or reporting to the Facilities, but will not be physically located at the Facilities, that position will qualify as a New Job only if the person holding that position is a resident of the Commonwealth or will become a resident of the Commonwealth within nine months of the position qualifying as a New Job.

"New Jobs Target" means the creation and Maintenance through the Performance Date of at least 1,984 New Jobs.

"Performance Date" means December 31, 2028.

"Property Information Analytics Firm Tax Modifications Memorandum" means a memorandum between the Company and the Authority executed on July 25, 2022, related to certain tax allocation modifications that may apply to the Company as provided for in Chapters 256 and 257 of the 2022 Acts of the Virginia General Assembly.

"Remaining Balance" means the expected amount of Grant Payments subject to repayment by the Company for shortfalls in the expected Capital Investment or New Jobs or for a Substantial Failure to Meet Targets of the Facility, *minus* any Repayment Forgiven and *minus* any Repayment Made, subject to the provisions of Section 5.

"Repayment Due" means any amount of the Grant that may, as a result of a shortfall, as defined in Section 5 (b), in Capital Investment or New Jobs, or as a result of a Substantial Failure to Meet Targets, as described in Section 5, be due as a repayment.

"Repayment Forgiven" means any amount of the Remaining Balance not to be repaid by the Company to the extent that the Company has achieved the Targets, and to the extent that the Grant Payments total less than \$15,000,000, plus any accrued interest on the Fund, as described in Section 4.

"Repayment Made" means any amount of the Remaining Balance repaid by the Company in accordance with Section 5.

"Report" means a written report, with reasonable supporting documentation, to be provided to the Secretary by the Company, as described in Section 6(a). A form that the Company may use for the Report is attached hereto as Exhibit A. A copy of the Report shall also be provided to the City and to the EDA.

"Secretary" means the Secretary of Commerce and Trade for the Commonwealth, or his or her designee.

“*Substantial Failure to Meet Targets*” means a filing by or on behalf of the Company under Chapter 7 of the U.S. Bankruptcy Code, the liquidation of the Company, an Abandonment, a failure of the Company to meet at least fifty percent (50%) of its New Jobs Target by December 31, 2025, or the failure of the Company to have made or cause to have been made at least fifty percent (50%) of its Capital Investments Target by December 31, 2025.

“*Targets*” means the Capital Investment Target and the New Jobs Target.

“*Virginia Code*” means the Code of Virginia of 1950, as amended.

Section 2. Property Analytics Firm Infrastructure Grant Program; Generally.

(a) Company Qualification. The Company hereby certifies that it is primarily a property information and analytics firm, that it currently owns and operates the Existing Facilities, and that it intends to lease, construct, acquire, and operate the New Facilities in the furtherance of its business. In consideration for the Grant Payments, which will pay for Infrastructure Improvements that are intended to benefit the Company and its employees, vendors, and guests, subject to Section 5(b), the Company agrees to achieve the (1) Capital Investment Target and (2) New Jobs Target by the Performance Date.

(b) Memorandum. The parties intend that this Memorandum serves as the arrangement described in the Act regarding the disbursement and potential repayment of the Grant.

(c) Grant Payments Subject to Appropriation. The Commonwealth’s obligations under this Memorandum and the Act to make Grant Payments shall constitute contractual obligations to make such payments; *provided* that the parties acknowledge that all of the Grant Payments described in this Memorandum are subject to appropriation by the Virginia General Assembly, will be paid from the Fund, and are subject to reduction should there be insufficient moneys in the Fund to make the Grant Payments in full. All payments and other performances by the City and the EDA under this Agreement are subject to City Council approval, EDA Board approval and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available, or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City’s or the Authority’s total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

Should the Commonwealth be unable to proceed because there are insufficient moneys in the Fund to make the Grant Payments in full, an amount equal to \$15,000,000, plus any accrued interest in the Fund, minus the Grant Payments that have been or may be made will be considered a Repayment Forgiven, as described in Section 4.

(d) No Double-Counting. No capital expenditures made, nor new jobs created, that are subject to any other performance agreement, except those included in the Property Information and Analytics Firm Tax Modification Memorandum with the Commonwealth or the Property Tax

Grant Performance Agreement with the City, may count as Capital Investment or New Jobs under this Memorandum. and except as may be mutually agreed upon by the parties.

(e) Use of Grant Proceeds. The Company acknowledges that the proceeds of each Grant Payment will be disbursed to the City to pay or reimburse the costs incurred by the City or the Company for the Infrastructure Improvements. The eligible Infrastructure Improvements are listed in Exhibit B.

(f) Maximum Aggregate Grant Payments. The maximum aggregate amount of the Grant Payments to be made pursuant to the Act and in accordance with this Memorandum is \$15,000,000, plus any accrued interest in the Fund.

The Company agrees that, for the Facilities, it will not take advantage of any state benefits that may be available to it through the Virginia Enterprise Zone Grant Program, currently codified in Chapter 49 of Title 59.1 of the Virginia Code for jobs created or investments made equal to the amounts established in this Memorandum.

Section 3. Targets. (intentionally omitted)

Section 4. Grant Payments; Potential Repayment Forgiven.

The Company will undertake the design and construction of the Infrastructure Improvements for which it is responsible according to Exhibit B. As soon as practicable after full execution of this agreement, but in any event no later than July 1, 2025, the Company will present paid invoices to the Authority to seek reimbursement for the costs incurred by the Company for the Infrastructure Improvements. The aggregate of such paid invoices will not exceed \$15,000,000 plus any accrued interest in the Fund at the time monies are transferred from the Authority to the City. Within 30 days after verification of the invoices, the Authority will disburse a Grant Payment in the amount of such invoices to the City. Within 30 days after receipt of such amount, with “receipt” meaning both acceptance of the Grant Payment by the City Council of the City of Richmond, Virginia (“Council”) and the appropriation by Council of such Grant Funds to the EDA, the EDA will disburse such Grant Payment to the Company.

When the Infrastructure Improvements are complete and all associated invoices have been submitted, if the aggregate amount of Grant Payments paid is less than \$15,000,000, plus any accrued interest, that shortfall amount will be considered to be a Repayment Forgiven and will be credited to the Remaining Balance.

Section 5. Grant Repayments.

(a) Grant Allocations. Of the \$15,000,000 Grant, plus any accrued interest in the Fund, 30% (\$4,500,000) is allocated to the Capital Investment Target and 70% (\$10,500,000) is allocated to the New Jobs Target.

(b) Shortfall in Targets. If, as of the Performance Date, the Company has not achieved at least 90% of the full Capital Investment Target and at least 90% of the full New Jobs Target, the Company will owe a Repayment Due reflecting a proportional amount of the Target or Targets

for which there is a shortfall of more than 10%. For example, if as of the Performance Date, only \$368,400,000 of the Capital Investment has been retained (reflecting achievement of 80% of the Capital Investment Target, and a shortfall of 20%), and only 1,488 New Jobs have been created and Maintained (reflecting achievement of 75% of the New Jobs Target, and a shortfall of 25%), the Company will have a Repayment Due of \$2,100,000 (reflecting 20% of the \$10,500,000 of the Grant allocated to the Capital Investment Target), *plus* \$1,125,000 (reflecting 25% of the \$4,500,000 of the Grant allocated to the New Jobs Target), for a total of \$3,225,000. These amounts reflect the percentages of the shortfall from the Capital Investment Target and the New Jobs Target, each such shortfall multiplied by the portion of the Grant allocated to that Target.

Any Repayment Due would be due by the Company to the Commonwealth by April 1, 2029.

(c) Repayment Due Related to Substantial Failure to Meet Target. If a Substantial Failure to Meet Target occurs at any time prior to January 1, 2029, the Company shall repay as a Repayment Due an amount equal to the Remaining Balance. This Repayment Due would be due by the Company to the Commonwealth within ninety (90) days of the notification by the Secretary or the Authority to the Company that a Substantial Failure to Meet Targets has occurred, unless the Company within such ninety (90) day period either (i) cures the Substantial Failure to Meet Targets, or (ii) presents a plan for the cure of the Substantial Failure to Meet Targets for a period in excess of such ninety (90) days, so long as the plan is approved by the Secretary or the Authority (approval not to be unreasonably withheld or delayed). In no case shall approval to cure a Substantial Failure to Meet Targets be granted beyond December 31, 2028.

(d) Repayment Made. Any Repayment Made will be credited to the Remaining Balance.

(e) Repayment as Sole Remedy. Repayment as provided herein shall constitute the Company's sole liability and the Commonwealth's, the City's, the EDA's and the Authority's exclusive remedy arising out of or related to the Company's non-performance, whether claims of the Commonwealth, the City, or the Authority are based in contract, in tort (including negligence and strict liability) or otherwise.

Section 6. Reports.

(a) Report. On or before April 1, 2026, and April 1, 2029, the Company shall provide a report (the "Report") providing evidence, satisfactory to the Secretary, of:

- (i) the Capital Investment made through the date of the Report; and
- (ii) the Average Annual Wage for the prior Grant Year; and
- (iii) the number of New Jobs created through the date of the Report

(b) Verification of Capital Investment. The Company hereby authorizes the City, including the City's Department of Finance, to release to the Authority the Company's real estate

tax, business personal property tax and machinery and tools tax information (the “City’s Capital Investment Records”) so long as any such Authority recipients (a) have a need to know the City’s Capital Investment Records, and (b) the Authority is bound by confidentiality obligations that preclude the Authority from disclosing the City’s Capital Investment Records to any third party. In addition, such City’s Capital Investment Records shall be marked and considered confidential and proprietary and shall be used by the Authority solely for verifying satisfaction of the Capital Investment Target. If the City or its Department of Finance should reasonably require additional documentation or consents from the Company to access such information, the Company shall promptly provide, at the Company’s expense, such additional documentation or consents as may be so reasonably requested. In accordance with Virginia Code Section 58.1-3122.3, the Authority is entitled to receive the Company’s real estate tax, business personal property tax, and machinery and tools tax information from the City.

It is hereby understood that the amount of Capital Investment made by the Company to meet the Capital Investment Target as demonstrated by the Report may differ from the amount reported in the City’s Capital Investment Records or its tax assessment records. Notwithstanding anything to the contrary set forth herein, but subject to the following paragraph, for purposes of determining the amount of Capital Investment, the parties agree that the Report shall be dispositive.

In addition to the verification data described above, in the reasonable discretion of the Authority, the Authority may require such other documentation, including invoices or audits as may be required to properly verify the Capital Investment.

(c) Verification of Average Annual Wages and New Jobs. With each Report, the Company must submit a copy of its Employer’s Quarterly Tax Reports (Form FC-20) filed with the Virginia Employment Commission during the preceding years through the date of the applicable report. The forms shall be marked and considered confidential and proprietary and shall be used by the Authority solely for verifying satisfaction of the Average Annual Wage, and the achievement of the New Jobs Target. The parties understand and agree that Form FC-20 reports total gross wages before deductions. As such, the Company’s reporting on Average Annual Wage and New Jobs will differ from the figures in Form FC-20. In accordance with Virginia Code Section 60.2-114, the Authority is entitled to receive the Company’s employment level and wage information from the Virginia Employment Commission.

The Company agrees that it will report to the Virginia Employment Commission with respect to its employees at a jurisdictional level, rather than at the company level.

In addition to the verification data described above, in the reasonable discretion of the Authority, the Authority may require such other documentation or audits as may be required to properly verify the Average Annual Wages and New Jobs.

(d) Secretary’s Report on Application. Within sixty (60) days after receiving the final Report covering the Performance Date, the Secretary shall certify to the Company the Secretary’s determination as to extent to which the Company has met the Targets, and the amounts of any Repayment Forgiven or Repayment Due, together with the repayment date.

(e) Confidential and Proprietary Information. Any documents containing confidential and proprietary information made available and identified as such by the Company, shall be maintained as confidential by the Authority and the Secretary, to the extent permitted by law. The Company understands that the extent to which it has or has not achieved the Targets through the Performance Date is non-proprietary information that is subject to disclosure by the Authority and the Commonwealth. The Company further understands that information regarding whether it filed its Reports on time is also non-proprietary information that is subject to disclosure by the Authority and the Commonwealth. Further, this Memorandum is a public document that is subject to disclosure by the Commonwealth or the Authority. Notwithstanding the foregoing, prior to any disclosure pursuant to a request for information under the Virginia Freedom of Information Act, the Authority or the Commonwealth, as applicable, shall notify the Company in writing as soon as reasonably possible and, at the same time, provide the Company with a copy of any intended disclosure and allow the Company sufficient time to provide comments to the intended disclosure, including proposed redactions of Company's proprietary and business-sensitive information. The parties will work together in good faith to agree on the proposed wording of any disclosure.

(f) Impact of Late Report. If a Report is not submitted by the April 1 deadline date, and the Company fails to cure such failure by submitting a Report within thirty (30) days of written notice from the Commonwealth or the Authority notifying the Company of the missed deadline, the Company will be deemed to be delinquent in the filing of the Report. The Authority shall notify the City and EDA if the Company fails to submit a report by the deadline date.

For good cause shown, and upon payment by the Company to VEDP of a \$3,000 late filing fee, the Secretary may extend the filing deadline for a Report by up to sixty (60) additional days following the expiration of the original thirty-day period.

Section 7. Collection of Repayment Due.

If any Repayment Due is not made by the Company when due, subject to the dispute resolution process set forth in Section 8(b), the Board of Directors of the Authority (the "Board") may determine that further collection action is required, and the Board may refer the matter to the Office of the Attorney General (the "OAG") for collection pursuant to Virginia Code Section 2.2-518. In any matter referred to the OAG for collection, the Company shall be liable to pay interest, administrative charges, attorney fees and other applicable fees. Interest on any outstanding repayment referred to the OAG shall accrue at the rate set forth in Virginia Code Section 6.2-301 A. (currently 6.0% per year) for the period from the due date of the payment until paid.

Section 8. Event of Force Majeure; Dispute Resolution.

(a) Event of Force Majeure. Notwithstanding the foregoing provisions of this Memorandum, if the Company does not meet a Target or take any action required under this Memorandum because of an Event of Force Majeure (as defined below), the time for achieving the applicable Target or taking such action will be extended by an amount of time that is reasonably necessary to overcome the effects of the Event of Force Majeure. "Event of Force Majeure" means, without limitation, any of the following: any act of God; act of a public enemy; war; riot; sabotage; blockage; embargo; failure or inability to secure materials, supplies or labor through ordinary

sources by reason of shortages or priority; labor strike, lockout or other labor or industrial disturbance (whether or not on the part of agents or employees of any party); civil disturbance; terrorist act; power outage; fire, flood, windstorm, hurricane, earthquake; landslides; lightning; tornadoes; storms; washouts; droughts; or other casualty; insurrection, pandemic, epidemic, arrests; restraint of government and people; explosions; breakage or accident to machinery, transmission pipes or canals not caused by the Company; partial or entire failure of utilities; any change in law (except the Act), order, regulation or other action or inaction of any governing authority; or any other cause or event not reasonably within the control of the Company. In no event may the delay related to a single Event of Force Majeure exceed two (2) years or, in the aggregate for all Events of Force Majeure, exceed three (3) years.

(b) Dispute Resolution. In the event of any dispute, controversy or claim of any kind or nature arising under or in connection with this Memorandum (including (i) disputes as to the creation, validity, or interpretation of this Memorandum or (ii) the existence or amount of any Repayment Due under Section 5 (a “Dispute”), then upon the written request of any party, each of the parties will appoint a senior representative whose task it will be to meet for the purpose of endeavoring to resolve the Dispute. The representatives will meet as often as the parties reasonably deem necessary in order to gather and furnish to the others all information with respect to the matter in issue which the parties believe to be appropriate and germane. Such representatives will discuss the Dispute and will negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding. The specific format for such discussions will be left to the discretion of the representatives but may include the preparation of agreed upon statements of fact or written statements of position furnished to the other parties. No formal proceedings for the resolution of the Dispute may be commenced until the earlier to occur of (1) a good faith mutual conclusion by the representatives that amicable resolution through continued negotiation of the matter in issue does not appear likely or (2) the 90th day after the initial request to negotiate the Dispute. If the resolution of the Dispute requires either party to take, or cause to be taken or to cease taking, some action, such party shall be provided a reasonable period of time, not less than ninety (90) days, to take, to cause, or to cease taking, such action. If the parties are unable to resolve the Dispute pursuant to the process set forth above, any party may seek to resolve the Dispute by filing an action in the jurisdiction and venue stipulated in Section 9(g) or by pursuing any other remedy available at law.

Section 9. Miscellaneous.

(a) Amendment of Act. If the Act, as enacted or amended by the General Assembly, contains provisions that are additional to or in conflict with the provisions of this Memorandum, the Company, VEDP, the Commonwealth, the City, and the EDA will endeavor to amend this Memorandum to include or modify provisions to the end that this Memorandum will be in conformity with the Act with an aim to preserve the benefits and avoid additional burdens to the Company under this Memorandum, if possible under the Act. To the extent any inconsistency between the Act and this Memorandum exists, the terms of the Act shall control.

(b) Assignments. None of the Company’s rights or responsibilities under this Memorandum shall be transferred or assigned, including by operation of law, without the prior written consent of the Secretary, which shall not be unreasonably withheld, except that the

Company may assign this Memorandum to an Affiliate, or in connection with any merger, reorganization, sale of all or substantially all of the Company's assets or any similar transaction.

(c) Successors and Assigns. Subject to the limitations on assignments set forth in subsection (b) above, all of the provisions of this Memorandum shall be binding upon and for the benefit of the respective successors and assigns of the parties hereto, to the same extent as if each successor and assign were in each case named as a party to this Memorandum.

(d) Completeness; Modification. This Memorandum constitutes the entire agreement between the parties with respect to the Grant and supersedes all prior discussions, understandings, agreements, and negotiations among the parties, except the Act. This Memorandum may be modified only by a written instrument duly executed by the parties and any such modification must be in accordance with the Act. Any modification to this Memorandum shall be submitted by the Secretary to the chairmen of the House Committee on Appropriations and the Senate Committee on Finance and Appropriations no later than 30 days after being executed by the Secretary.

(e) Numbers; Gender. Whenever in this Memorandum the singular number is used, the same shall include the plural where appropriate, and vice versa. Words of any gender used in this Memorandum shall include each other gender where appropriate.

(f) Cooperation. The Company hereby commits to cooperate with the City to pursue other state, regional, and federal funds to support or to cover the costs of other infrastructure improvements identified by the City as related to the New Facilities

(f) Notices. All notices, communications and other information provided under this Memorandum shall be in writing and shall be given by (i) personal delivery, (ii) a nationally recognized overnight courier (providing confirmation receipts) for delivery on the following business day, (iii) confirmed email, or (iv) first class mail postage prepaid, as follows:

If to the Commonwealth:

Commonwealth of Virginia
Address: 1111 East Broad Street, 4th Floor (zip code: 23219)
P.O. Box 1475
Richmond, VA 23218
Attention: Secretary of Commerce and Trade
Email: caren.merrick@governor.virginia.gov

If to the Authority:

Virginia Economic Development Partnership
Address: 901 East Cary Street, Suite 900
Richmond, VA 23219
Attention: President and Chief Executive Officer
Email: ceo@vedp.org

If to the Company:

CoStar Realty Information, Inc.
Address: 1331 L Street NW
Washington, DC 20005
Attention: General Counsel
Email: legalgroup@costar.com

with a copy to:

McGuireWoods Consulting, LLC
Address: 800 East Canal Street
Richmond, VA 23219
Attention: Christopher D. Lloyd
Email: clloyd@mwellc.com

If to the City:

Chief Administrative Officer
900 East Broad Street, 14th Floor
Richmond, Virginia 23219

with a copy to:

City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219

Director of Economic Development
1500 East Main Street, Suite 400
Richmond, Virginia 23219

If to the EDA:

Chair, Economic Development Authority
1500 East Main Street, Suite 400
Richmond, Virginia 23219

with a copy to:

City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219

Executive Director of the Economic Development Authority

1500 East Main Street, Suite 400
Richmond, Virginia 23219

or to such other address shall be notified by any party to the other parties. Except as noted in the next sentence, any notice shall be deemed given when received or first refused by the addressee. Any Report provided by the Company by mail pursuant to Section 6 shall be deemed given when postmarked.

(g) Governing Law; Venue. This Memorandum shall be governed by and construed in accordance with the laws of the Commonwealth, without reference to its choice of law rules. Jurisdiction and venue for any litigation arising out of or involving this Memorandum shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

(h) Severability. If any court determines that any clause, provision or section of this Memorandum is illegal or invalid, the parties shall negotiate in good faith a substitute clause, provision or section, which such substitute must be in accordance with the Act, and the unaffected provisions shall remain in effect.

(i) Counterparts. This Memorandum may be executed in several counterparts, each of which will be an original, and the counterparts will together constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

WITNESS the following signatures as of the day and year first written above.

COMMONWEALTH OF VIRGINIA

By _____
Name: Caren Merrick
Title: Secretary of Commerce and Trade


COSTAR REALTY INFORMATION, INC.

By _____
Name: _____
Title: _____

VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP AUTHORITY

By _____
Name: Jason El Koubi
Title: President and Chief Executive Officer

Approved as to form:


Deputy City Attorney

CITY OF RICHMOND, VIRGINIA

By _____
Name: _____
Title: _____

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA

By _____
Name: _____
Title: _____

Exhibit A: Form of Report
Exhibit B: Authorized Infrastructure Improvements Subject to Reimbursement

**Exhibit A
PROGRESS REPORT
PROPERTY ANALYTICS FIRM INFRASTRUCTURE GRANT PROGRAM**

PROJECT SUMMARY:

Project	CoStar Realty Information, Inc.
Reporting Period	Year Through December 31, 20__

PROJECT PERFORMANCE:

Average Annual Wage:

Targeted Average Annual Wage for Grant Year 20__: \$ _____
 Actual Average Annual Wage for Grant Year 20__: \$ _____

Fringe Benefits:

Is a package of standard fringe benefits made available to employees holding Baseline Jobs and New Jobs: yes no

New Jobs (attach FC-20 Forms during Grant Year):

Actual New Jobs created in years 20__: _____

Capital Investment (attach supporting documentation):

Actual Capital Investment in years 20__: \$ _____

Breakdown of Capital Investment in years 20__	Amount
Leasehold Improvements	\$
Land Improvements	\$
Acquired Real Property Improvements	
New Construction	\$
Renovation	\$
Furniture, Fixtures and Business Personal Property	\$
Machinery and Tools	\$
Other	\$
Total	\$

COMMENTS:

Please discuss status of the development and operation of the Facilities, including the current level of Capital Investment and New Jobs, progress on the Targets, changes or likely changes in the nature of the Facilities that may impact achievement of the Targets, and other information relevant to the Company's performance. If the Company is not on track to meet the Targets, please provide an explanation.

TO BE CERTIFIED BY A REPRESENTATIVE OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

COSTAR REALTY INFORMATION, INC.

By: _____
Signature of Representative
Title: _____
Name: _____
Date: _____

Please return to:

Secretary of Commerce and Trade
Commonwealth of Virginia
1111 East Broad Street, 3rd Floor
Richmond, Virginia 23219
Caren.merrick@governor.virginia.gov

President and CEO
Virginia Economic Development Partnership
901 East Cary Street, Suite 900
Richmond, Virginia 23219
ceo@vedp.org

Exhibit B – Authorized Infrastructure Improvements Subject to Reimbursement

- **Installing a new waterline in Bragg Street - City of Richmond**
- **Contaminated soil removal, testing and remediation - Company**
- **Removal of spoils and hidden underground obstructions and debris - Company**
- **Installation of sanitary sewer to the site line along Tredegar Street, circumventing undocumented existing conditions on Tredegar Street - Company**
 - **Rock blasting, site clearing and grading to address extraordinary circumstances - Company**
 - **Lay-by Lane on Tredegar Street for retail - Company**
 - **Lay-by lane on 5th Street for CoStar transportation - Company**

**CoStar Local Property Tax Grant
Performance Agreement**

INTRODUCED: April 8, 2024

AN ORDINANCE No. 2024-109

To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Property Tax Grant Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., and the Economic Development Authority of the City of Richmond for the purpose of providing a grant to CoStar Realty Information, Inc., to expand, equip, improve, and operate its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: APR 22 2024 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

§ 1. That the Chief Administrative Officer, for and on behalf of the City of Richmond, be and is hereby authorized to execute a Property Tax Grant Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., and the Economic Development Authority of the City of Richmond for the purpose of providing a grant to CoStar Realty Information, Inc., to expand, equip, improve, and operate its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond. The Property Tax Grant

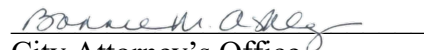
AYES: _____ NOES: _____ ABSTAIN: _____

ADOPTED: _____ REJECTED: _____ STRICKEN: _____

Performance Agreement shall be approved as to form by the City Attorney and shall be substantially in the form of the document attached to this ordinance.

§ 2. This ordinance shall be in force and effect upon adoption.

APPROVED AS TO FORM:



City Attorney's Office

Text of Legislative File Admin-2024-0228

City of Richmond

Intracity Correspondence

O&R REQUEST

DATE: March 6, 2024 **EDITION:** 1

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Sheila White, Director of Finance

THROUGH: Meghan Brown, Senior Manager, Department of Budget and Strategic Planning

THROUGH: Sharon Ebert, Deputy Chief Administrative Officer

FROM: Leonard L. Sledge, Director, Department of Economic Development

RE: Approval of the Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., and the Economic Development Authority of the City of Richmond.

ORD. OR RES. No.

PURPOSE: To authorize the Chief Administrative Officer, for and on behalf of the City of Richmond, to execute a Performance Agreement between the City of Richmond, CoStar Realty Information, Inc., and the Economic Development Authority of the City of Richmond for the purpose of providing grants to CoStar Realty Information, Inc., to expand, equip, and operate its regional headquarters located at 501 South 5th Street and 600 Tredegar Street in the city of Richmond.

REASON: CoStar's regional headquarters expansion provides significant economic development benefits for the city. The project:

- Will create 1,984 new jobs, with an annual average wage of at least \$85,000;
- Involves more than \$460.5 million in private capital investment in the site;
- Enhances general fund revenue creation- an estimated \$30.6 million in new taxes over the next ten years;

- Develops an underutilized parcel of prime real estate, providing greater activation of the riverfront;
- Will generate new foot traffic for retail and service businesses downtown; and
- Demonstrates Richmond’s strength as a location for growing corporations.

RECOMMENDATION: The City Administration recommends the adoption of this ordinance.

BACKGROUND: In December 2021, following a competitive site selection search, CoStar Realty Information, Inc., announced its decision to expand its regional headquarters and research and technology campus at 501 South 5th Street and 600 Tredegar Street, which it has occupied since 2016. The company announced that it would invest \$460.5 million and create 1,984 new jobs with an average wage of over \$85,000.

To induce the company to expand in Richmond, the State offered its “Market-Based Sourcing” incentive which reduces the Company’s corporate income tax burden, and a \$15 million infrastructure grant, which the City is a party to the performance agreement. The City is offering an annual performance grant equal to a percentage of new incremental real estate tax revenue for ten years and new incremental business personal property tax for three years. The grant is structured so no existing city revenue is leveraged in the incentive. The value of the incentive decreases over the ten-year performance period, from 75% to 50% to 25% of the new incremental real estate tax revenue.

The Performance Agreement between Costar Realty Information Inc., the City, and the Economic Development Authority of the City of Richmond (EDA) sets forth the terms and conditions under which the annual grant will be paid to the Company.

CoStar’s continued investment in the city is an economic development success for Richmond’s growing professional services and technology sectors and a demonstration of Richmond’s potential as a corporate/regional headquarters.

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: The expansion of corporate headquarters and professional services companies aligns with the initiatives laid out in the City’s adopted Strategic Plan for Equitable Economic Development (SPEED).

FISCAL IMPACT: The project is projected to generate an estimated \$30.6 million in new revenue over the next ten years. The incentive leverages a portion of new, incremental taxes only and does not involve any existing city revenue. The first grant payment may be requested by the Company in FY 2027 and based on performance, will be disbursed annually until FY 2036.

DESIRED EFFECTIVE DATE: Upon Adoption.

REQUESTED INTRODUCTION DATE: April 8, 2024

CITY COUNCIL PUBLIC HEARING DATE: April 22, 2024

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: Finance and Economic Development Standing Committee

CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES: The Economic Development Authority of the City of Richmond

AFFECTED AGENCIES: Department of Economic Development, the Department of Budget and Strategic Planning, and the Department of Finance

RELATIONSHIP TO EXISTING ORD. OR RES.: N/A

ATTACHMENTS: Commonwealth's Development Opportunity Performance Agreement

STAFF: Leonard L. Sledge, Director, Department of Economic Development (804) 646-7576
Katie McConnell, Deputy Director, Department of Economic Development (804) 646-3171
Sam Earl, Senior Management Analyst, Department of Economic Development (804) 646-4248

PROPERTY TAX GRANT PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** (the “Agreement”) made and entered this ____ day of _____, 2024, by and among the **CITY OF RICHMOND, VIRGINIA** (the “City”), a municipal corporation of the Commonwealth of Virginia; **COSTAR REALTY INFORMATION, INC.**, a Delaware corporation, authorized to transact business in the Commonwealth of Virginia (the “Company”); and the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF RICHMOND, VIRGINIA** (the “Authority”), a political subdivision of the Commonwealth.

RECITALS

WHEREAS, the Company intends to expand its regional headquarters in the city at 501 S 5th Street, Tax Parcel Map No. W0000051002, and at the property known as 600 Tredegar Street, Tax Parcel Map Number W0000043002 thereby making, or causing to be made, a significant Capital Investment, and creating and Maintaining a significant number of New Jobs, as such capitalized terms are hereinafter defined;

WHEREAS, the City desires to provide to the Company an economic development monetary grant (“Grant”) for the purpose of inducing the Company to expand, equip, improve, lease, and/or operate a regional headquarters facility in the city and to make the Capital Investment and create New Jobs at the Expansion Facility;

WHEREAS, the City is willing to provide the funds for the Grant (“Grant Amount”) to the Authority with the expectation that the Authority will provide the Grant Amount to the Company, provided that the Company meet certain criteria relating to the Capital Investment and the New Jobs in accordance with the terms and conditions of this Agreement;

WHEREAS, expanding the regional headquarters at the Expansion Facility will entail a Capital Investment of not less than \$393,700,000 in new construction and building upfits resulting in an increase in taxable real property as of the fifth year of the Grant Period; and not less than \$66,800,000 in tangible business personal property resulting in an increase in taxable business personal property as of the seventh year of the Grant Period;

WHEREAS, expansion of the regional headquarters at the Expansion Facility will entail the creation of 1,984 New Jobs by the Company as of the seventh year of the Grant Period;

WHEREAS, the New Jobs and Capital Investment will be maintained through the tenth year of the Grant Period;

WHEREAS, the City, the Authority, and the Company desire to set forth their understanding and agreement as to the payout of the Grant, the use of the Grant Amount, the obligations of the Company regarding the Grant, the Capital Investment, and the New Job creation, and the repayment by the Company of all or part of the Grant under certain circumstances;

WHEREAS, the City and the Authority have determined that the Company's expanding its regional headquarters at the Expansion Facility will result in substantial benefits to the welfare of the city and its inhabitants; is in the public interest; and serves governmental interests, including but not limited to an increase in real estate and tangible personal property tax receipts and job creation;

WHEREAS, the stimulation of additional tax revenue and economic activity to be generated by the Capital Investment and New Jobs constitute a valid public purpose for the expenditure of public funds;

WHEREAS, the City is authorized by Section 15.2-953 of the Code of Virginia and other laws, and the Authority is authorized by the Industrial Development and Revenue Bond Act, contained in Chapter 49, Title 15.2 of the Code of Virginia and other laws to perform the activities contemplated in this Agreement; and

WHEREAS, this Agreement sets forth the understanding of the parties concerning the Company's obligations, the Authority's obligations, and the incentives offered by the City, subject to the approval of the Authority's Board of Directors and the Richmond City Council, and subject to annual appropriation.

NOW, THEREFORE, in consideration of the foregoing, the mutual benefits, promises and undertakings of the parties to this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows.

Section 1. Definitions.

For the purposes of this Agreement, the following terms shall have the following definitions:

"Average Annual Wage" means the average total taxable income paid by the Company during the Grant Year to all employees who are included in either the Baseline Jobs or the New Jobs. The Average Annual Wage is determined by dividing the total payroll for all Baseline Jobs and New Jobs (as reflected in Box 5 of I.R.S. Form W 2) by the total number of Baseline Jobs and New Jobs.

"Base Tax Year" means Tax Year 2022.

"Baseline Job" means a full-time position located in the city as of January 1, 2022.

"Capital Investment" means a capital expenditure by, or on behalf of the Company of not less than \$393,700,000 in new construction and building upfits resulting in an increase in taxable real property at the Expansion Facility from January 1, 2022, through the fifth year of the Grant Period; and not less than \$66,800,000 in Tangible Personal Property at the Expansion Facility from January 1, 2022, through the seventh year of the Grant Period. The Capital Investment must be in addition to the capital improvements and Tangible Personal Property at the Expansion Facility as of January 1, 2022. The purchase or lease of furniture, fixtures, machinery and equipment, including under an operating lease, building construction, expansion, up-fit, re-tooling and

improvements by or on behalf of the Company, including under a build-to-suit lease or sale-leaseback transaction, and land improvements, direct project management costs, including, but not limited to, architecture and engineering services, will qualify as Capital Investment. The costs incurred to bring the Expansion Facility to the condition necessary for its intended use, including costs of constructing, including finance costs as required to be capitalized under US generally accepted accounting principles (GAAP), equipping and occupying of the Expansion Facility will qualify as Capital Investment.

“City” means the City of Richmond, Virginia, a political subdivision of the Commonwealth of Virginia, acting through its city council.

“Expansion Facility” means the real and Tangible Personal Property located in the city at 501 S 5th Street and 600 Tredegar Street, identified in the 2023 records of the City Assessor at Tax Parcel Map Numbers W0000043002 and W0000043001 respectively.

“Fiscal Year” means the City’s fiscal year, which runs from July 1 of one calendar year to June 30 of the next calendar year.

“Grant Amount” means in any Tax Year during the Grant Period the amount by which real estate taxes and Tangible Personal Property taxes actually paid to the City by the Company for the Expansion Facility exceeds the Grant Eligibility Amount according to the schedule included in Exhibit A attached to this agreement.

“Grant Eligibility Amount” means the sum total of the real estate taxes and Tangible Personal Property taxes paid to the City by the Company for the Expansion Facility in the Base Tax Year.

“Grant Period” means the period of time over which the Authority will pay the Grant Amount, which according to the schedule included in Exhibit A, shall begin on July 1, 2025, and end on June 30, 2035, subject to any extensions as provided below. The Target for the Capital Investment created from new construction and building upfits shall be achieved no later than the fifth year of the Grant Period. If the City and Authority deem that good faith and reasonable efforts have been made and are being made by the Company to achieve the Target for the Capital Investment created from new construction and building upfits, the Company may at any time prior to the fifth year of the Grant Period request in writing to the Authority to extend the date to achieve the Target for the Capital Investment created from new construction and building upfits by no longer than 12 months (through the sixth year of the Grant Period). The Target for the Capital Investment created from new Tangible Personal Property shall be achieved no later than the seventh year of the Grant Period. If the City and Authority deem that good faith and reasonable efforts have been made and are being made by the Company to achieve the Target for the Capital Investment created from new Tangible Personal Property, the Company may at any time prior to the seventh year of the Grant Period request in writing to the Authority to extend the date to achieve the Target for the Capital Investment created from new locally taxable Tangible Personal Property by no longer than 12 months (through the eighth year of the Grant Period).

“Maintain” means that the Capital Investment and New Jobs will continue without interruption from the date of creation through the end of the Grant Period.

“New Jobs” means new permanent full-time employment of an indefinite duration created on or after January 1, 2022, in the city for which the standard fringe benefits are provided by the Company for the employee, and for which the Company pays an average annual wage of at least \$85,000. Each New Job must require a minimum of either (i) 35 hours of an employee’s time per week for the entire normal year of the Company’s operations, which “normal year” must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions and positions with construction contractors, vendors, suppliers and similar multiplier, ancillary or spin-off jobs shall not qualify as New Jobs. The New Jobs must be in addition to the Baseline Jobs. Each annual reporting period by the Company during the term of this agreement shall contain no more than 10% of New Jobs which are, at that time, not physically located on a full-time basis at the Company’s Expansion Facility in the City.

“Tax Year” means the calendar year in which real estate and Tangible Personal Property taxes are required to be paid by the Company to the City.

“Tangible Personal Property” means all personal property not classified as intangible personal property, merchants’ capital, or daily rental property as defined by Code of Virginia § 58.1-1100 and §58.1-3510, as the same may be from time to time amended.

“Targets” means the Company’s obligations to make, or cause to make, the Capital Investment; to create the New Jobs; and to Maintain both within the timeframes set forth in this Agreement.

Section 2. Targets.

2.1 Capital Investment Targets. The Company shall make, or cause to make, a minimum Capital Investment of not less than \$393,700,000 in new construction and building upfits resulting in an increase in taxable real property at the Expansion Facility from January 1, 2022 through the fifth year of the Grant Period; and not less than \$66,800,000 in Tangible Personal Property resulting in an increase in locally taxable Tangible Personal Property at the Expansion Facility from January 1, 2022 through the seventh year of the Grant Period and shall Maintain such level of Capital Investment through the end of the Grant Period.

2.2 New Jobs Target. The Company shall create at least 1,984 New Jobs in the city from January 1, 2022, through the seventh year of the Grant Period and shall Maintain such jobs through the end of the Grant Period.

Section 3. Disbursement of Grant.

3.1 Grant Amount. The City shall, through the Authority, provide the Company with the Grant Amount as an economic development incentive grant calculated in accordance with the schedule included in Exhibit A to this Agreement over the Grant Period, payable as follows:

3.2 Payment. The Grant Amount shall be paid annually for each of the City's Fiscal Years during the Grant Period, subject to appropriations and subject to the performance obligations by the Company set forth in this Agreement. Payment of the Grant Amount for the first year of the Grant Period can be requested by the Company once the City has fully and timely received payment of the Company's real estate taxes and Tangible Personal Property attributable to the Expansion Facility, but no earlier than July 1, 2026. Once the Company's request in writing has been received by the City and the City has received the requisite real estate tax payments and Tangible Personal Property tax payments, as determined by the City in its sole discretion, the City shall, within thirty (30) days, request the Authority or other agency to provide the Company with the Grant Amount for the corresponding Fiscal Year determined in accordance with and subject to the limits contained herein. All subsequent grant requests by the Company can be made in writing once the City has received full payment of the real estate taxes and Tangible Personal Property tax payments attributable to the Expansion Facility, as determined by the City in its sole discretion, for the relevant Tax Year, but no earlier than July 1 of each year. The City will have thirty (30) days to request the Authority or other agency to provide the Company with the annual Grant Amount from the time the written request from the Company has been received and the requisite real estate taxes and Tangible Personal Property taxes have been paid, as determined by the City in its sole discretion.

In the event that the Company should make a protest, through the appropriate channels and processes, of a real estate or Tangible Personal Property tax bill or assessment made by the City, the City may withhold the portion of the annual Grant Amount attributable to the contested taxes only provided that the Company has given written notice to the City and Authority of such protest and the amount in accordance with Section 8 of the agreement. Should the Company's protest fail, and all applicable appeals be exhausted, the Company may make a request in writing to the City for payment of the portion of the annual Grant Amount attributable to the contested taxes. Upon confirmation that the City has received taxes from the Company such that the Company's tax obligation is paid in full and following any budget amendment, if such amendment is necessary, the City shall, within thirty (30) days, request the Authority or other agency provide the Company with the applicable portion of the Grant Amount for the corresponding Fiscal Year.

3.3 Certification of Capital Investment and New Jobs. In addition to the requirements of section 3.2 above, the Company's written request in each year of the Grant Period must include a certification by a representative of the Company that the Capital Investment and New Job creation has been performed in accordance with the terms of this Agreement, together with documentation detailing such Capital Investment and New Job creation as provided in Exhibit B attached to this agreement. These reports shall be submitted with the Company's request for payment, no earlier than July 1 of each year of the Grant Period starting on July 1, 2026. The first report must cover the period from January 1, 2022 through December 31, 2025. Subsequent reports shall cover the previous calendar year. Through the annual report submitted to the city for activities through December 31, 2028, the Company will provide copies of the annual certified reports it provides to the Commonwealth of Virginia pursuant to the Property Information and Analytics Firm Tax Modification Memorandum of Understanding executed on July 25, 2022 and confirm that such reports have been accepted and certified by the Secretary of Commerce and Trade pursuant to that Memorandum of Understanding. Annual reports submitted to the City pursuant to this Agreement for Company activities after January 1, 2029 shall be certified as to their accuracy by an officer of

the Company. If the City has reasonable cause to suspect that the information provided in such certified report is insufficient or inaccurate, the City shall notify the Company which shall have 60 days to provide the additional information, and such subsequent information shall also be certified by an officer of the Company. If the City has reasonable cause to suspect that the subsequent information is insufficient or inaccurate, the City may request to audit the Company's information for that individual annual report, and the expenses of such an audit shall be borne by the Company.

Additionally, on December 31, 2025, in the seventh year and in the tenth year of the Grant Period, and at other times upon request, the Company must provide access to its four most recent Employer's Quarterly Tax Reports for the city with the Virginia Employment Commission along with other such information as the Company possesses to document the number of New Jobs in the city. The forms shall be marked and considered confidential and used by the City solely for verifying progress toward or satisfaction of the New Jobs Target.

To ensure accurate labor force data at the state and local level, the Company agrees to provide the Virginia Employment Commission with information on a regular basis, at least annually, as to the number of employees based in the city.

In addition to the verification data described above, in the sole discretion of the City and Authority, the City and Authority may require such other documentation or audits as may be required to properly verify the Capital Investment or New Jobs.

3.4 Appropriations Required. The City's and the Authority's obligation to provide the annual Grant Amount to the Company is subject to and contingent upon the appropriation of all necessary funds by the Richmond City Council for such purposes and upon action of the Authority's Board of Directors.

Section 4. Administration of Grant.

4.1 The City agrees to transfer to the Authority, as and when appropriated by the City Council, the funds necessary for the Authority to meet its obligations under the Agreement relating to the Grant. No administrative fees or expenses shall be paid by the City.

4.2 The Authority's obligation to undertake the activities herein is specially conditioned upon the City providing funding on a timely basis; provided, however, the City's obligation is subject to appropriation by the City Council and availability of funds.

4.3 The Authority agrees to provide the City's Chief Administrative Officer, or the designee thereof, with copies of all documents related to this Agreement and will keep the Chief Administrative Officer fully and timely informed of all matters related to the Agreement.

4.4 The Authority agrees that all funds transferred by the City to the Authority for the Grant shall be deposited by the Authority within a Project Fund, to be used only to satisfy the obligations contained in this Agreement related to the Grants.

4.5 It is the intent of the parties not to impose upon the Authority any responsibility, duty or obligation other than what may be required to implement the Grant. Accordingly, Authority does not assume any responsibility or liability whatsoever except as specifically stated herein. If litigation involving the Grant is initiated or expected to be filed against the Authority, the Authority shall immediately notify the City Attorney and Chief Administrative Officer.

4.6 The Authority shall keep records of its financial transactions, if any, related to the Agreement in accordance with generally accepted accounting principles. The City Auditor or a designee thereof may at any time audit the financial transactions undertaken under this Agreement.

4.7 The Authority shall not be required to furnish the City with surety.

Section 5. Community Benefits

5.1 Small, Women, and Minority-Owned Business Participation. The Company, including its agents, contractors, and other entities involved in the construction and development of the Facility, through the time of the issuance of the certificate of occupancy by the City, commits to make a good faith effort to achieve a minimum value of 25% of the planned capital investment target of \$460,500,000 will be to small, women, and minority-owned (SWaM), as that term is defined by the Virginia Department of Small Business and Supplier Diversity. Company will participate in active outreach to potential Minority Business Enterprise (MBE) and Emerging Small Business (ESB) contractors as defined in the City Code of Richmond in Section 21-4 and coordinate with the City of Richmond's Office of Minority Business Development to identify and facilitate contracts to eligible MBE/ESB firms. Each annual request for the Grant Amount submitted by the Company during the Grant Period shall include a report on the achievement of the SWaM and MBE/ESB commitment including details on the amounts awarded by MBE/ESB category.

The Company will report on-going activities, after the issuance of the certificate of occupancy through the end of the Grant Period, to identify and award contracts for the ongoing maintenance and operations of the facility to MBE/ESB firms and shall exercise good faith efforts to encourage participation of such firms in the Company's activities to achieve a minimum value of 25% of the ongoing operational spending following the issuance of a Certificate of Occupancy (CO) with MBE/ESB firms. The annual report shall also include information about the value of contracts awarded to firms based in the City and the Richmond region.

5.2 No Additional City Incentives. Except for the benefits provided through the Property Analytics Firm Infrastructure Grant Program Memorandum of Understanding by and among the Company, the City, the EDA, and the Virginia Economic Development Partnership, the Company hereby commits to not pursue any additional incentives from the City or the EDA, related to the activities it undertakes pursuant to this Agreement to achieve the New Job and Capital Investment targets established herein. Economic development incentives include but are not limited to abatements, exemptions, subsidies, rebates, financing, and waivers.

Section 6. Representations.

6.1 The Company is empowered to enter into this Agreement, to be bound hereby, and to perform according to the terms hereof.

6.2 Any and all actions necessary to enable the Company to enter into this Agreement, and to be bound hereby, have been duly taken.

6.3 The person or persons executing or attesting the execution of this Agreement on behalf of the Company has or have been duly authorized and empowered to so execute or attest.

6.4 The execution of this Agreement on behalf of the Company will bind and obligate the Company to the extent provided by the terms hereof.

6.5 There exists no litigation pending against the Company or to the Company's actual knowledge threatened, which if determined adversely, would materially and adversely affect the ability of the Company to carry out its obligations under this Agreement or the transactions contemplated hereunder.

Section 7. Default and Repayment Obligation.

7.1 Events of Default. Each of the following will constitute a default by the Company under this Agreement (each an "Event of Default"):

7.1.1 Failure to meet at least ninety percent (90%) of the New Jobs Target through the seventh year of the Grant Period, the failure to meet or cause to meet at least ninety percent (90%) of the new construction and building upfit portion of Capital Investment Targets through the fifth year of the Grant Period, or the failure to meet or cause to meet at least ninety percent (90%) of the Tangible Personal Property portion of Capital Investment Targets through the seventh year of the Grant Period.

7.1.2 Failure to Maintain at least ninety percent (90%) of the New Jobs Target or Capital Investment Targets through the end of the Grant Period.

7.1.3 Failure to meet at least fifty percent (50%) of the New Jobs Target or the Capital Investment Targets by December 31, 2025.

7.1.4 Vacation of at least 75 percent of the workforce located at the total Expansion Facility continuously for more than 12 months.

7.1.5 Any court of competent jurisdiction enters an order, judgment, or decree approving a petition seeking reorganization of the Company or all or a substantial part of the assets of the Company or any guarantor of the Company or appointing a receiver, sequestrator, trustee or liquidator of the Company, or any guarantor of the Company or any of their property and such order, judgment or decree continues unstayed and in effect for at least 60 Days.

7.1.6 The Company (i) makes a general assignment for the benefit of creditors, (ii) is adjudicated as either bankrupt or insolvent, (iii) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, (iv) either (a) takes advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or (b) admits the material allegations of a petition filed against the Company in any proceedings under such a law or (v) any guarantor of the Company takes action for the purposes of effecting any item identified in item (iv).

7.1.7 The Company fails to maintain its corporate existence.

7.1.8 The Company fails to maintain a current business license issued by the City of Richmond.

7.2 Effect of Default. In the case of an occurrence of an Event of Default, the Grant provisions of Section 3 of this Agreement shall terminate immediately and neither the City nor the Authority will have any further obligation relating thereto and the Company will no longer be eligible for the Grant. Notwithstanding the foregoing, the provisions of Section 7.3 below shall survive the termination of this Agreement until all of the Developer's obligations have been satisfied.

7.3 Repayment Obligation.

7.3.1 Upon an Event of Default the Company shall repay to the Authority any and all amounts paid to it pursuant to this Agreement as of the date upon which the Event of Default occurs and upon written demand by the Authority or the City to the Company for such repayment.

7.3.2 Repayment shall be due from the Company to the Authority within thirty days of the date of the written demand to the Company from the Authority or the City. Any moneys repaid by the Company to the Authority hereunder shall be repaid by the Authority to the City. The Authority shall have no responsibility for the repayment of any sums hereunder unless said sums have been received by the Authority from the Company.

7.3.3 Notwithstanding the foregoing, upon an Event of Default the Authority may prorate any amount of repayment due to it following a written request to the City, and receipt of written authorization from the City, to so prorate the amount due. Any such proration shall be allowed only in the sole discretion of the City.

7.3.4. In the Events of Default in 7.1.3., 7.1.4., 7.1.5, 7.1.6, 7.1.7, or 7.1.8 the Repayment shall be 100% of the Grant Amount paid to the Company through the initial Event of Default. In the Events of Default in 7.1.1, 7.1.2 the Repayment shall be calculated as a percentage of the Grant Amount paid to the Company and the Company's actual Capital Investment achieved at the Expansion Facility and New Jobs achieved in the city during the Grant Period through the initial Event of Default. Seventy percent (70%) of the total Grant Amount paid shall be allocated to Capital Investment achieved and thirty percent (30%) of the total Grant Amount paid shall be allocated to New Jobs achieved. For example, if only \$368,400,000 of Capital Investment has been achieved (reflecting achievement of 80% of the Capital Investment Target of \$460,500,000, and a shortfall of 20%) and only 1,488 New Jobs have been created (reflecting achievement of 75% of

the New Jobs Target of 1,984, and a shortfall of 25%), and the Company has been paid a total Grant Amount of \$2,000,000 from the Authority, the Company will have a Repayment Due of \$280,000 (reflecting 20% of the \$1,400,000 of the Grant Amount allocated to Capital Investment achieved) plus \$150,000 (reflecting 25% of the \$600,000 of the Grant allocated to New Jobs achieved), for a total of \$430,000. These amounts reflect the percentages of the shortfall from the Capital Investment Targets and New Jobs Target, multiplied by the portion of the Grant Amount respectively allocated to Capital Investment and New Jobs achieved.

7.4 Force Majeure. Notwithstanding the foregoing provisions of the Agreement if either party is prevented from performing its obligations under this agreement because of an event of Force Majeure such event of Force Majeure will extend the time for performance day-for-day for the delay caused by the event of Force Majeure. "Force Majeure" means an act of God, act of the public enemy, terrorist attack, war, blockade, public riot, lightning, fire, storm, flood, or other extraordinary act of nature, explosion, reasonably unanticipated unavailability of equipment through normally available sources, labor strike, lockout, and any other similar cause which is not reasonably within the control of the party claiming suspension. In no event may the delay related to a single Event of Force Majeure exceed two (2) years or, in the aggregate for all Events of Force Majeure exceed three (3) years.

Section 8 Notices.

All notices, demands or other communications under this Agreement shall be in writing and shall be sent to each other party, at its address specified below (or such other address as a party may from time to time specify to the other parties by notice given in accordance with this Agreement), and shall be deemed to have been duly given when actually received by the addressee or when served (a) personally; (b) by independent, reputable, overnight commercial carrier; or (c) by deposit in the United States mail, postage and fees fully prepaid, registered or certified mail, with return receipt requested, addressed as follows:

If to the City:

Chief Administrative Officer
900 East Broad Street, 14th Floor
Richmond, Virginia 23219

with a copy to:

City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219

Director of Economic Development
1500 East Main Street, Suite 400
Richmond, Virginia 23219

If to the Authority:

Executive Director
Economic Development Authority of the City of Richmond
1500 East Main Street, Suite 400
Richmond, Virginia 23219

with a copy to:

City Attorney
900 East Broad Street, Suite 400
Richmond, Virginia 23219

If to the Company:

CoStar Realty Information, Inc.
1331 L Street, NW
Washington, DC 20005
Attn: Legal Department

with a copy to:

McGuireWoods Consulting, LLC
800 East Canal Street
Richmond, VA 23219
Attn: Christopher D. Lloyd, Senior Vice President and Director

Section 9. General Terms and Conditions.

9.1 Entire Agreement; Amendments. This Agreement constitutes the entire agreement among the parties hereto and may not be amended or modified, except in writing, signed by each of the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. The Company may not assign its rights and obligations under this Agreement without the prior written consent of the City and the Authority.

9.2 Governing Law; Venue. This Agreement is made, and is intended to be performed, in the Commonwealth of Virginia and shall be construed and enforced by the laws of the Commonwealth of Virginia. Jurisdiction and venue for any litigation arising out of or involving this Agreement shall lie in the Circuit Court of the City of Richmond, and such litigation shall be brought only in such court.

9.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, and all of which together shall be one and the same instrument. This Agreement is signed when a party's signature is delivered by facsimile, email, or other electronic medium. These signatures must be treated in all respects as having the same force and effect as original signatures.

9.4 Severability. If any provision of this Agreement is determined to be unenforceable, invalid or illegal, then the enforceability, validity and legality of the remaining provisions will not in any way be affected or impaired, and such provision will be deemed to be restated to reflect the original intentions of the parties as nearly as possible in accordance with applicable law.

9.5 Subject-to-Appropriations. All payments and other performances by the City and the Authority under this Agreement are subject to City Council approval, Authority Board approval and annual appropriations by the City Council. It is understood and agreed among the parties that the City and the Authority shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this Agreement. Under no circumstances shall the City's or the Authority's total liability under this Agreement exceed the total amount of funds appropriated by the City Council for the payments hereunder for the performance of this Agreement.

9.6 Public Disclosure.

9.6.1 Applicable Law. The parties to this Agreement acknowledge that records maintained by or in the custody of the City and the Authority are subject to the provisions of the Virginia Public Records Act, Va. Code §§ 42.1-76 through 42.1-90.1, and the Virginia Freedom of Information Act, Va. Code §§ 2.2-3700 through 2.2-3714 and thus are subject to the records retention and public disclosure requirements set forth in those statutes. Prior to any disclosure pursuant to a request for information under the Virginia Freedom of Information Act, the City, as applicable, shall notify the Company in writing as soon as reasonably possible and, at the same time, provide the Company with a copy of any intended disclosure.

9.6.2 Challenges to Nondisclosure. If a party submitting records to the City or the Authority requests that those records not be disclosed under applicable law and the City or the Authority consequently denies a request for disclosure of such records based on the submitting party's request, and the City's or the Authority's denial of a request for disclosure of records is challenged in court, the submitting party shall indemnify, hold harmless and defend the City or the Authority, their respective officers and employees from any and all costs, damages, fees and penalties (including attorney's fees and other costs related to litigation) relating thereto.

9.7 No Waiver. Neither failure on the part of the City or the Authority to enforce any covenant or provision contained in this Agreement nor any waiver of any right under this Agreement shall discharge or invalidate such covenant or provision or affect the right of the City or the Authority to enforce the same right in the event of any subsequent default.

9.8 Effective Date of the Agreement. The effective date of this Agreement shall be the date upon which it has been fully executed by the parties following approval by City Council and by the Authority's Board of Directors.

9.9 No Partnership or Joint Venture. It is mutually understood and agreed that nothing contained in this Agreement is intended or shall be construed in any manner or under any circumstance whatsoever as creating and establishing the relationship of copartners or creating or

establishing a joint venture between or among any of the parties or as designating any party to the Agreement as the agent or representative of any other party to the Agreement for any purpose.

9.10 No Third Party Beneficiaries. Notwithstanding any other provision of this Agreement, the parties agree that (i) no individual or entity shall be considered, deemed or otherwise recognized to be a third-party beneficiary of this Agreement; (ii) the provisions of this Agreement are not intended to be for the benefit of any individual or entity other than the City, the Authority, or the Company; (iii) no other individual or entity shall obtain any right to make any claim against the City, the Authority, or the Company under the provisions of this Agreement; and (iv) no provision of this Agreement shall be construed or interpreted to confer third-party beneficiary status on any individual or entity.

9.12 Attorney's Fees. Each party will bear its own attorney's fees.

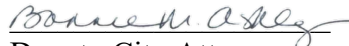
9.13 Authorization to Act. The Chief Administrative Officer of the City of Richmond, Virginia or a designee thereof and the Chairman of the Economic Development Authority of the City of Richmond, Virginia are authorized to act on behalf of the City and the Authority, respectively, under this Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Performance Agreement as of the date first written above.

CITY OF RICHMOND, VIRGINIA

Approved as to form:


Deputy City Attorney

By
Name:
Title:
Date: _____

COSTAR REALTY INFORMATION, INC

By
Name:
Title:
Date: _____

ECONOMIC DEVELOPMENT
AUTHORITY OF THE CITY OF RICHMOND,
VIRGINIA

By
Name:
Title:
Date: _____

Exhibit A
SCHEDULE
PROPERTY TAX GRANT PROGRAM

Grant Year	Fiscal Year	Real Estate Tax Grant Amount	Business Personal Property Tax Grant Amount
Base Year	FY22 (July 1, 2021 – June 30, 2022)	Real Estate Tax Payment Exceeding the Grant Eligibility Amount	Business Personal Property Tax Payment Exceeding the Grant Eligibility Amount
1	FY26 (July 1, 2025 – June 30, 2026)	75% of the real estate tax payment exceeding the grant eligibility amount	100% of the business personal property tax payment exceeding the grant eligibility amount
2	FY27 (July 1, 2026 – June 30, 2027)	75% of the real estate tax payment exceeding the grant eligibility amount	100% of the business personal property tax payment exceeding the grant eligibility amount
3	FY28 (July 1, 2027 – June 30, 2028)	75% of the real estate tax payment exceeding the grant eligibility amount	100% of the business personal property tax payment exceeding the grant eligibility amount
4	FY29 (July 1, 2028 – June 30, 2029)	50% of the real estate tax payment exceeding the grant eligibility amount	N/A
5	FY30 (July 1, 2029 – June 30, 2030)	50% of the real estate tax payment exceeding the grant eligibility amount	N/A
6	FY31 (July 1, 2030 – June 30, 2031)	50% of the real estate tax payment exceeding the grant eligibility amount	N/A
7	FY32 (July 1, 2031 – June 30, 2032)	50% of the real estate tax payment exceeding the grant eligibility amount	N/A
8	FY33 (July 1, 2032 – June 30, 2033)	25% of the real estate tax payment exceeding the grant eligibility amount	N/A
9	FY34 (July 1, 2033 – June 30, 2034)	25% of the real estate tax payment exceeding the grant eligibility amount	N/A
10	FY35 (July 1, 2034 – June 30, 2035)	25% of the real estate tax payment exceeding the grant eligibility amount	N/A

**Exhibit B
ANNUAL REPORT
PROPERTY TAX GRANT PROGRAM
TO BE SUBMITTED WITH ANNUAL GRANT REQUEST**

PROJECT SUMMARY:

Project	CoStar Realty Information, Inc.
Reporting Period	Year Through December 31, 20__

PROJECT PERFORMANCE:

Average Annual Wage:

Targeted Average Annual Wage for Grant Year 20__ : \$ _____
 Actual Average Annual Wage for Grant Year 20__ : \$ _____

Fringe Benefits:

Is a package of standard fringe benefits made available to employees holding Baseline Jobs and New Jobs: yes no

New Jobs

Actual New Jobs created in years 20__ : _____

Capital Investment (attach supporting documentation):

Actual Capital Investment in years 20__ : \$ _____

Breakdown of Capital Investment in years 20__	Amount
Leasehold Improvements	\$
Land Improvements	\$
Acquired Real Property Improvements	
New Construction	\$
Renovation	\$
Furniture, Fixtures and Business Personal Property	\$
Machinery and Tools	\$
Other	\$
Total	\$

Small, Women, and Minority-Owned Firms (SWaM) Spending as a Percentage of Capital Investment	Amount
Value of Payments to SWaM	
Total Value of Capital Investment	\$

% of Total Capital Investment Target	
---	--

MBE/ESB as a Percentage of Ongoing Operational Spending	Amount
Value of Payments to MBE	\$
Value of Payments to ESB	\$
Total Value of Operational Spending	\$
% of Total Operational Spending	

Grant Calculation	Amount
Real Estate Tax Payment	\$
Real Estate Grant Eligibility Amount	\$
Real Estate Payment Exceeding Eligibility Amount	\$
Tangible Personal Property Payment	\$
Tangible Personal Property Grant Eligibility Amount	\$
Tangible Personal Property Payment Exceeding Eligibility Amount	\$
Annual Real Estate Grant	\$
Annual Tangible Personal Property Grant	\$
Total Annual Grant	

COMMENTS:

Please discuss status of the development and operation of the Expansion Facilities, including the current level of Capital Investment and New Jobs, progress on the Targets, changes or likely changes in the nature of the Expansion Facility that may impact achievement of the Targets, and other information relevant to the Company's performance. If the Company is not on track to meet the Targets, please provide an explanation.

TO BE CERTIFIED BY A REPRESENTATIVE OF THE COMPANY:

I certify that I have examined this report and to the best of my knowledge and belief, it is true, correct, and complete.

COSTAR REALTY INFORMATION, INC.

By: _____

Signature of Representative

Title: _____

Name: _____

Date: _____

Please return to:

Economic Development Authority of the City of Richmond
City of Richmond
1500 E. Main St., Suite 400
Richmond, Virginia 23219