

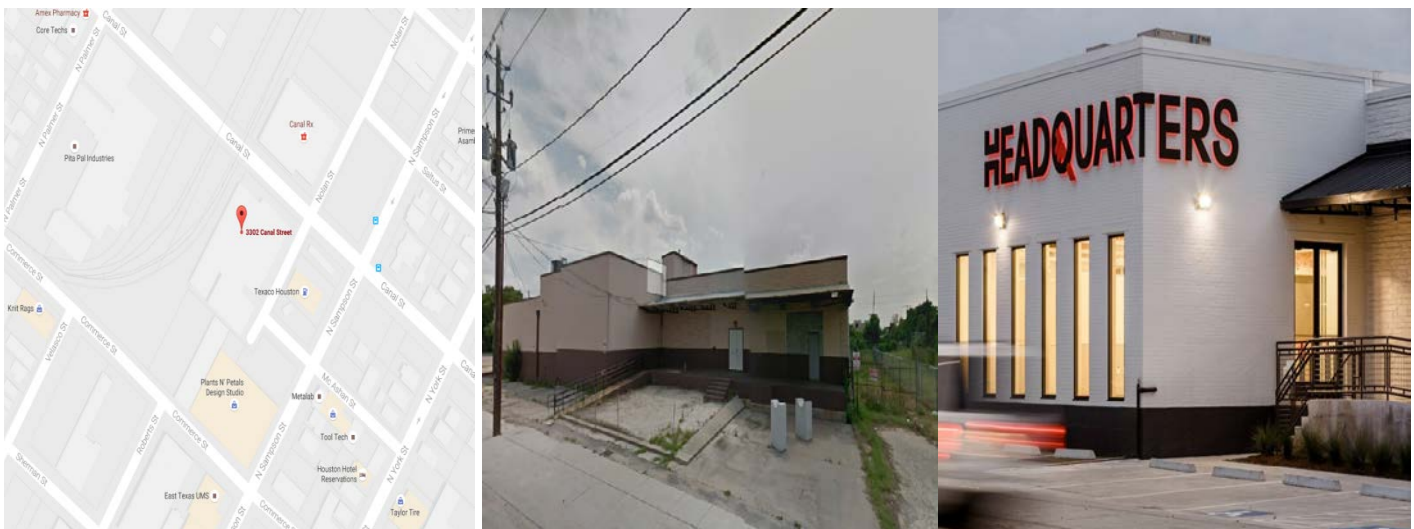
The Headquarters- 3302 Canal Street

Headquarter is a new creative workplace designed to cater to the needs of small to medium sized companies. Commercial development with more than 35,000 square feet of unusual office space and shared amenities.

Project details:

The space will have the ability to house companies from two to twenty employees, and rent will range from \$750 per month to \$6,000 per month.

- Variety of flexible suite sizes to accommodate from 2 to 20 persons
- More than 17,000 square feet of shared amenities; including a community kitchen, lounges, conference rooms, game room and a courtyard
- Six conference rooms
- Private parking, bike racks and bike station
- Walking distance to local restaurants, bars and Metro rail



Community Benefits:

Pubic Benefit statement as drafted in the agreement:

Company acknowledges that the Authority has entered into this Agreement in reliance upon Company's continued demonstration that the Project establishes a public benefit to Houston's East End community, specifically, the ability for Community-Based Organizations to use meeting and/or common open space located at the Project ("Community Space") for events organized, promoted or sponsored by Community-Based Organizations ("Community Events") at no cost. **Community-Based Organization** is defined as any organization involved in community development within Houston's East End, including but not limited to, youth mentoring and academic organizations, schools, charitable agencies, nonprofit community organizations, economic development organizations, workforce development and training organizations, and minority and women small business and entrepreneurial associations.

As such, the Parties agree to the following

- Company agrees to host at least eight (8) Community Events each year with consideration to organizations that serve and support low income individuals and families
- At least two (2) of the required eight (8) annual Community Events shall introduce or expose Houston's End End community to innovation and technology opportunities and disciplines ("Technology Event").
- Company shall not charge any fees for, or costs associated with, the use of the Community Space for a Community Event required under this subsection.

Recapture Provision as stated in agreement:

If in any Program Year items (i) - (iii) the conditions above are not met, the TIRZ Benefit for that year may be subject to a reduction by a percentage representing the rate of non-compliance

Note: The CDO has the discretion to impose this recapture provision

- To demonstrate support for and in partnership with the Mayor’s Technology and Innovation Initiative, Company will partner with a Houston Independent School District middle school that has a high percentage of students enrolled in the free and reduced lunch program, in Houston’s East End and host a Coding Career Day within the first twelve (12) months after the Effective Date of this Agreement. Company intends to collaborate with Digital Crafts, a professional coding company, and BitsBox, a software company that designs and develops coding projects for kids, to host a Coding Career Day to introduce children and youth to computer coding. Coding Career Day would qualify as a Technology Event and, during the Term of this Agreement, Company will seek opportunities to host a substantially similar event at least once a year.

Given that this condition requires collaboration with tenants which is not within company’s full control, there is no recapture but company is expected to make and demonstrate effort to host a similar event annually.

Incentive Justification:

- Project is a redevelopment of an abandoned 45sf building into non traditional creative co working space
- The space has attracted technology, innovative and other entrepreneurs and small businesses which aligns with economic development priorities
- Excess vacant properties, limited new development, low income demographics makes this project high risk for attracting equity and lending financing
- Lending/Equity partners have submitted letters that their decision to fund was based on this incentive which improves the projects return and reduces risk
- Board unanimously approved \$600k maximum incentive from the revenue generated from the project in July 2017
- The incentive instrumental in securing capital and will allow for rental rates from \$750/month to \$6,000/month

Approximate Total Development Cost: \$ 6.7 million – does not require public infrastructure.

TIRZ 23 will pay annual payment to the Company payable solely from Available Authority Revenue generated from this project, which shall equal **75%** of the annual Tax Increment generated from the Project.

- The Maximum Reimbursement for the Project will be \$600,000 (less if project does not generate the max)
- Company shall annually provide to the Authority evidence that all ad valorem taxes due to all taxing jurisdictions for the present or future tax account or accounts relative to the Project have been paid in full;
- Each year, Company shall provide a certification that the Jobs Requirement of this Agreement has been met in the preceding year, and, if available, the most recent Texas Workforce Commission Employment filing related to the Project. The Company must pay at least \$13.55/hour.
- The Company shall annually provide a tenant roster as evidence that the Company still operates the Project as a multi-tenant work space
- Company shall obtain all necessary permits for the construction of the Project, which must be built in accordance with plans and specification that conform to a floor plan and elevation approved by the Authority and comply with all City rules and regulations.

Recapture as drafted in the agreement:

If in any Program Year the conditions of items above are not met, the Authority shall not pay any portion of the TIRZ Benefit in that year.

The economic incentive requires that city council grants Chapter 380 authority to TIRZ 23 for this project and a similar project located at 3401 Harrisburg only.