



## Georgia Project Development Financial Assistance

### Memorandum of Understanding

I. This Memorandum of Understanding (“MOU”) is entered into by Macy’s Systems and Technology, Inc. and its affiliates (collectively the “Company”), The Atlanta Development Authority d/b/a Invest Atlanta (“Development Authority”) and the Georgia Department of Economic Development (“GDEcD”), an agency within the executive branch of the State of Georgia (“State”), this date 04/22/2020.

II. PURPOSE: The purpose of this MOU is to describe, commit and commend the Company’s investment project (“Project”) for the Community and State, and the general economic benefits thereof, and to jointly undertake an efficacious application for a REBA award, administered by the Georgia Department of Community Affairs (“DCA”) within an agreed upon timeframe.

III. “PROJECT” DESCRIPTION: The economic development investment project opportunity for the City of Atlanta (“Community”) is described as:

Company will establish a new technology center to focus on website design and engineering, in addition to and other retail technology projects in an approximately 70,000 square feet (the “Facility”). The Facility will be located in the City of Atlanta, T3 West Midtown, 383 17<sup>th</sup> Street NW, Atlanta, Georgia, 30363. The Company will invest or cause to be invested, jointly or through the Company’s landlord, an aggregate of \$14,000,000 in tenant improvements and furniture, fixtures, and equipment. Company will create or cause to be created 630 net new jobs at the Facility with average annual wages for the net new full-time jobs of \$100,000 over 2 years.

IV. STATE ASSISTANCE: A critical component of the Project described above is a requirement of state assistance, in the form of a grant<sup>1</sup> (“Project Development Grant”) or loan (“Project Development Loan”) in order to secure the Project investment for the Community and State. The Project Development Grant/Loan required for this Project’s success is described as follows:

A \$1,000,000 REBA grant will be used by the Development Authority to defray costs incurred by the Company in connection with capital expenditures, including the purchase of furniture, fixtures, and equipment associated with the establishment of the Facility (the “Project Property”).

V. COMPANY COMMITMENT: As part of the Project described above in Section III, Company commits to invest or cause to be invested, jointly or through the Company’s landlord, an aggregate of \$14,000,000 in land, construction and/or building, equipment and other real and personal property, as well as create 630 net-new full-time jobs<sup>2</sup> at the Facility within twenty four (24) months from the earlier

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<sup>1</sup> Any assets funded with the Award Amount shall be publicly titled during the term of this grant (the “Grant-Funded Assets”). To the extent that the Award Amount is used to fund equipment, then during the term of this Grant, the Company shall not be permitted to use the equipment as collateral for financing or to grant a security interest in the equipment to anyone other than the public entity holding title.

<sup>2</sup> Net new full time job is defined as a new job that did not previously exist within the State of Georgia which has a minimum of 35 hours per week, with the opportunity for access to, but not necessarily paid or subsidized, medical



of (i) the date of the issuance of the Certificate of Occupancy for the Facility, or (ii) the anticipated start-date of January 6, 2020. Company may begin counting jobs and investment on January 6, 2020.

The Company also intends to maintain operations at this specific facility in the Community for a minimum of 10 years. Furthermore, before the Project Development Grant is disbursed, the Company shall participate in a joint press release with the State and Community announcing the Project. Also, the Company agrees to provide the following to DCA within 30 days from the date of this signed agreement:

1. One designated official Company contact, including title and all contact information, in order to further clarify Project activities related to the Project Development Grant/Loan and subsequent application, as well as facilitating the items listed below.
2. Description of the anticipated timeline for completion of the Project investment;
3. Description of the Company and type of business activity that will be conducted at this operation;
4. Primary NAICS Code for Company, and if different, the NAICS Code specific to the proposed operation or expansion;
5. Expected average wage rate(s) for the total number of jobs detailed above;
6. Description of the types and quality of jobs to be created by the operation or expansion and a list of benefits the Company offers to employees;
7. Copy of two most recent years-worth of Company's 10k reports, OR if privately owned, two most recent years of federal tax returns *or* audited company financials; and

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benefits. A net new full time job may include the use of leased employees (the "Leased Jobs"), subject to the following conditions:

Company represents and warrants that its contract with each third-party leasing company will require that: (i) The Leased Jobs at the Facility will be assigned exclusively to Company and no other clients of the third-party leasing company; and, (ii) The Leased Jobs are new full-time jobs that, but for the contractual arrangement between Company and the third-party leasing company, would not otherwise exist within Georgia. Company also represents that the Leased Jobs will substantially satisfy the definition of "Leased Employee" outlined in (6)(t) of the rules published by the Georgia Department of Community Affairs in Chapter 110-9.1 and will require in its contract with each third-party leasing company that the third-party leasing company will substantially satisfy the definition of an "Employee Leasing Company" as provided in O.C.G.A. § 34-8-32. To the extent that the aforementioned conditions are satisfied, and so long as the Company retains control over the Leased Jobs at the facility, the Company's use of leased employees through an agreement with a third-party leasing company shall constitute Leased Jobs for purposes of qualifying as net new jobs.

Nothing herein is intended to affect the employer-employee relationship between the third-party leasing company and the employees it hires to work at the Project Site nor to affect the contractual relationship between Company and the third-party leasing company. This MOU does not give any employee, including the Leased Jobs of the third-party leasing company, any rights or claims against the Company or its affiliates, and no such employee shall be, or is intended to be, a third party beneficiary of this Agreement. Company represents that through the agreement with the third-party leasing company, it is inducing the employment of the Leased Jobs in Georgia. Company also agrees that if the Leased Jobs are claimed by the third-party leasing company as "New Full-Time Employee Jobs" for purposes of claiming the Georgia Job Tax Credit, Company will not separately claim such jobs.



8. A signed version of Georgia's Performance Accountability Agreement noted in Section VII (to be provided by the Georgia Department of Economic Development).

A Grant Documentation Checklist which identifies documentation required by DCA is attached hereto as **Exhibit A**.

- VI. **DEVELOPMENT AUTHORITY COMMITMENT:** The Development Authority, as part of the Project described above (Section III), commits to filing a formal application for a REBA grant in the amount of \$1,000,000 with DCA for the Project Development Grant/Loan described above (Section IV), being as the Project is expected to provide public economic development benefits in the form of increased local employment opportunities, the potential for increased local sales and property taxes collected, and an infusion of a new capital investment(s) made to the Community, as described in the Project description and Company commitments detailed above.

The Development Authority additionally commits to submitting a fully completed application to DCA within 30 days from the date of this signed agreement, including but not limited to the following information:

1. Evidence that the Project Property to be financed or improved with State financial assistance funds is currently publicly owned and controlled, or in the process of being acquired;
2. Details of the Development Authority or Community's investment in, or contribution to, the Project as a key component to attracting the Project investment; and
3. Site maps and/or building illustrations and/or equipment descriptions depicting the property to be acquired or improved.

- VII. **GDEcD COMMITMENT:** GDEcD, as part of the Project described above (Section III), commits to providing DCA with a formal Letter of Recommendation from the GDEcD Commissioner within 14 days of a signed MOU, recommending the Project to receive REBA grant funds in the amount of \$1,000,000 for the Project Development Financial Assistance purpose and use of funds described above in Section IV.

1. Along with a Letter of Recommendation, GDEcD will also provide DCA within 20 business days a Summary of Economic Benefits from the Project for the State and Community, including an estimated net present value and expected payback period to the State specific to the grant or loan amount, and based on the expected local and statewide economic impacts of the Project.
2. Additionally, GDEcD will provide DCA with a Performance and Accountability Agreement, to be signed by the DCA Commissioner and authorized officials from both the Company and Development Authority hereto. This signed document will also be forwarded to DCA within 30 days.
3. GDEcD will administer the thirty (30) out-of-state tuition waivers offered by the University System of Georgia as outlined in the letter attached hereto as Exhibit B.



- VIII. TESTIMONY OF COMPETITION: But for the State assistance described in Section IV of this document, the Company may have decided to locate the Project described in Section III at a site in the competing states of Ohio and New York.
- IX. ADDITIONAL DOCUMENTS REQUIRED: All parties understand and agree that upon approval of the financial assistance award, the following items may be required by the Development Authority (or associated applicant) before the award will be released:
1. Independent cost estimates, engineering estimates or appraisals of property to be acquired or improved by Development Authority as part of the Project Development Financial Assistance award;
  2. Copy of the lease between the Development Authority and the Company; and
  3. Copy of Inducement Resolution, including Validation, as applicable.
- X. APPLICATION APPROVAL: While a timeline for application approval cannot be guaranteed and is often dependent upon a financial risk analysis, if all deadlines are met by each of the three parties above: Company, Development Authority and GDEcD, DCA will make every effort to render an official opinion on the Project Development Financial Assistance application within 20 business days of receipt of all items and documents detailed within this MOU.

Disclaimer: This document does not guarantee grant or loan application approval. However, a fully completed and signed MOU, the information contained herein, and the additional disclosure items detailed in this document provide much of the information and commitments necessary to ensure an expedited and successful Project Development application approval.

**[SIGNATURES ON FOLLOWING PAGE]**



**Signature Page**  
**Memorandum of Understanding**  
**Macy's Systems and Technology, Inc. Project in City of Atlanta, Georgia**

IN WITNESS WHEREOF, the parties have hereunto set their signatures and affixed their seals the day and year first written above.

**Macy's Systems and Technology, Inc.**

**The Atlanta Development Authority d/b/a  
Invest Atlanta**

By: Naveen K. Sharma

By: 

Title: EVP & CTO


President & CEO  
Title: \_\_\_\_\_

Date: 3/12/2020

04/22/2020  
Date: \_\_\_\_\_

Seal

**Georgia Department of Economic Development**

By: 

Commissioner  
Title: \_\_\_\_\_

04/22/2020  
Date: \_\_\_\_\_

Seal



## Exhibit A-Grant Documentation Checklist

### REBA and OneGeorgia EDGE Programs Application Documentation



The Georgia Department of Community Affairs (DCA) assists with the administration of funding for REBA and OneGeorgia EDGE projects. Based on the type of project, varying documentation is required. Below are general guidelines to assist with the collation of documentation for the application. While this is a comprehensive list, it is not intended to be all-inclusive. Additional detail may be required based on the complexity of the project.

Awards are generally made to a local Development Authority, as recipient, with the private entity as the beneficiary. State-funded assets must be held in public ownership for the duration of the State-funded grant period.

#### Land Acquisition Projects:

For land to be purchased with State funds, the recipient must submit to DCA at the time of application:

##### Evidence of Land Acquisition Costs and Fair Market Value

- ☐ appraisal of the land by a State Certified General Real Property Appraiser
- ☐ executed purchase agreement or similar document
- ☐ executed settlement statement(s)
- ☐ executed and recorded warranty deed(s)
- ☐ executed lease agreement

#### Site Preparation Projects\*:

- ☐ recorded warranty deed(s)
- ☐ executed lease agreement
- ☐ copy of fully-executed Form AIA document(s) showing the period-billed site preparation line items in an amount at least equal to the amount of State funding

#### Construction / Infrastructure / Machinery & Equipment Projects\*:

For construction, infrastructure or machinery & equipment projects, the recipient must submit to DCA at the time of application:

- ☐ construction contracts or machinery and equipment quotes or invoices for the asset(s) to be acquired with State funds.
- ☐ invoices for machinery and equipment projects must show the project location as the "ship to" address and clearly detail the asset(s) being purchased
- ☐ executed Bill of Sale for the State-funded asset(s)
- ☐ executed lease agreement

*\*Invoices and payment verification is required prior to the drawdown of funds. Clear documentation of payment for the State-funded asset is required in the form of cancelled checks or EFT verification.*



## Exhibit B-USG Letter



UNIVERSITY SYSTEM OF GEORGIA

270 Washington Street, S.W.  
Atlanta, Georgia 30334

404-662-3042  
matthew.colvin@usg.edu  
usg.edu/economic\_development

Friday, December 20, 2019

Pat Wilson  
Commissioner  
Georgia Department of Economic Development  
75 5th Street, Suite 1200  
Atlanta, GA 30308

Re: Project Etoile (Tuition Waivers)

Dear Pat:

One important incentive to help company employees who will be relocating their primary residence to Georgia is the economic development based Out-of-State Tuition Waiver. Per your request the USG is pleased to offer the company in Project Etoile these waivers. These waivers are offered to help reduce the employee's cost of obtaining post-secondary education at any of the USG institutions for themselves and/or their dependents during their initial year in Georgia (prior to establishing residency). Residency requirements are specified on the USG website at [www.usg.edu](http://www.usg.edu) under the Policies and Procedures Section 4.3.2.

Based on the job creation proposal by the company, we are pleased to offer the following to Project Etoile:

- For a location of 150 jobs, thirty (30) out-of-state tuition waivers valued at \$633,360 USD

These waivers are provided to reduce university tuition costs for company employees and their immediate family members who have not had an opportunity to establish residency in Georgia. These waivers for employees relocating to Georgia will reduce their tuition from what they would pay as out-of-state students to that of an in-state student while they are establishing residency.

These waivers must be utilized within five (5) years of the announcement of the company's Georgia operations (for which the waivers are offered) and are subject to the academic requirements and policies of the USG and the specific institution where the student is enrolled. Academic requirements are specified on the USG website at [www.usg.edu](http://www.usg.edu) in the Policies and Procedures Section 7.3.4.1 and through the registrar's office at the USG institution.

Economic development based out-of-state tuition waivers are requested by company employees through the company's human resources group to the Georgia Department of Economic Development (GDEcD). GDEcD will provide the company's Human Resources group with a simple form that must be completed by company human resources personnel and submitted to GDEcD. This process must be initiated following a student's acceptance at a USG institution and at least forty-five (45) days in advance of enrollment at that institution. Most waivers are processed by the USG and the institution within fifteen (15) working days of receipt of the request by GDEcD.

We look forward to continuing our work with you and your team, to demonstrate our ability and commitment to help you accommodate the specific needs of Project Etoile and its growth in Georgia!

Sincerely,

Matt Colvin  
Executive Director of Economic Development  
Board of Regents of the University System of Georgia

[usg.edu](http://usg.edu)

