

DRAFT JLR Term Sheet: Investment, E-Zone and Public Benefit Requirements

JLR Term Sheet	DRAFT – 17 June 2015
Entity	Jaguar Land Rover North America LLC (“JLR”)
Site Location	1420 NW 18 <sup>th</sup> Ave.; considered a regional Headquarter Facility
Target Cluster(s)	Technology & Media; Green Cities Products; R&D
Jobs Created	50-80 FTE
Total Investment	Minimum of \$4 million on construction, excluding wages, running costs, and investments in incubation companies.
Total Est. Tax Savings	\$264,000 (abatement) + \$118,000 (E-Commerce) = \$382,000.
Use of PDC Funds	County Tax Abatement and potentially State Corporate Tax Credits
Project Details	<p>Creation of the JLR incubator to develop start-ups. There will be 10-12 start-ups a year to be supported with direct and indirect investment from JLR estimated at \$600,000/year in direct cash plus indirect investment and engineering and operational support.</p> <p>Extending the facility to design infotainment, vehicle user experience as well as technology related to the vehicle, for JLR future product.</p>
E-Zone Requirements	<p><b>A. Application Fee:</b> \$3,958.</p> <p><b>B. City of Portland Business License:</b> The Company, hereafter referred to as “JLR”, must maintain a current and active City of Portland Business License</p> <p><b>C. Employment Increase:</b> Create at least <u>1</u> job, estimated increase employment in Portland to be <u>50-80</u>.</p> <p><b>D. Job Quality Commitments:</b> All full-time jobs at JLR’s project site must meet the following minimum quality levels during the period of exemption:</p> <ul style="list-style-type: none"> <li>• Eighty-five percent (85%) of basic wages must exceed one hundred fifty percent (150%) of Oregon minimum wage after one year of employment, or;</li> <li>• Employee benefits must meet the national average of non-governmentally mandated benefits for the size and type of business based on information supplied by the U.S. Department of Labor</li> <li>• Employers must demonstrate a good faith effort to create career ladder opportunities for their employees through education, training and professional development opportunities and planning and provide PDC with a plan that documents their efforts.</li> </ul> <p><b>E. Procurement Plan:</b> submit to PDC an E-Zone Business Procurement Plan (“Plan”) at the time of submitting an E-Zone application. The Plan will outline how good faith efforts will be made to increase the</p>

	<p>amount of goods and services purchased from businesses located within Portland.</p> <p><b>F. Workforce Training and Business Development Fund (“WTBDF”):</b></p> <p>a. <b>WTBDF:</b> Each participating company shall contribute 15% of its tax savings into the WTBDF, (including savings under the Oregon Electronic Commerce (“E-Commerce”) income tax credit available to E-Zone businesses).</p> <p>b. <b>15% Payment Est. (over 5 years) = \$52,000.</b></p> <p><b>G. First Source Hiring Agreement:</b></p> <ul style="list-style-type: none"> <li>• Must provide information about employment opportunities to WorkSource Oregon</li> </ul>
<p><b>Additional Public Benefit Requirements</b></p>	<p><b>A. Internships:</b></p> <ul style="list-style-type: none"> <li>• Host at least 1-2 Youth (ages 16-24) interns annually from programs which support equity and inclusion such as SummerWorks, iUrban Teen Tech, ChickTech, etc.; and work with local colleges and/or universities to provide 2 internship opportunities for college students each year.</li> </ul> <p><b>B. Permanent Workforce Hiring:</b></p> <ul style="list-style-type: none"> <li>• Develop in close consultation with PDC, a comprehensive hiring plan designed to ensure, as well as can be reasonably obtained, a broad-based job pool for new job opportunities (the 50-80 new jobs) at JLR’s Open Software Technology Center (JLR OSTC), mirroring the demographics of the City of Portland.</li> <li>• Hire all new employees at no less than \$15.00/hour.</li> <li>• To meet demographic requirements, JLR will partner with local workforce development providers and non-profits to actively seek out local candidates and offer employment opportunities to workers still developing their skills through programs such as on-the-job training through WorkSource Oregon.</li> <li>• JLR will prioritize outreach and improve awareness and access to employment opportunities for diverse and historically underrepresented communities.</li> </ul> <p><b>C. Business Support:</b></p> <ul style="list-style-type: none"> <li>• Support the development of ten to twelve technology-based startups per year for at least the next 5 years through JLR’s investment in a technology incubator.</li> </ul> <p><b>D. Inclusive Entrepreneurship:</b></p> <ul style="list-style-type: none"> <li>• Provide priority for two spots per year in the incubator for entrepreneurs/businesses founded by underrepresented populations.</li> <li>• JLR, external partners (PDC, Business Oregon, Drive Oregon, etc.) and incubator mentors will collectively</li> </ul>

participate in the selection process. Selection criteria will include points for startups founded by underrepresented populations.

- JLR reserves the right to decide whether to invest in these companies based on their designated Technology-Hopper Process.

**E. Pre-Incubator program**

- Develop in close consultation with PDC and other external partners, a comprehensive pre-incubator program for entrepreneurs/businesses founded from underrepresented populations that provide mentorship to entities not ready to participate in or are not selected for the JLR incubator.
- The pre-incubator program must be approved by PDC on or before 31 August 2015 and shall be conscientiously followed by JLR.

**F. Local Referral Process:**

- Develop an intake process for PDC and partners (Drive Oregon, TAO and others) to refer local entrepreneurs to the incubator.

**G. Community Engagement:**

**a. Community Partnerships & Outreach:**

Host at least 6 events per year at JLR facilities in partnership with groups that represent underrepresented populations. Participate in or sponsor two additional events in the community that represent underrepresented populations.

Types of events could include:

- Relevant Job fairs organized by Worksystems, WorkSource Oregon and other similar entities;
- Meetups for women and minority entrepreneurs and technology workers; and
- Events or programs that provide education & mentoring to local, minority and women-owned businesses.

**b. Schools:**

- Speak with and/or host four technology clubs from high schools, alternative high school programs, or GED programs which have a focused population of youth who will reflect the promotion of a diverse and inclusive environment (Ex: N/NE Portland, E/SE Portland, Gresham)

**c. Construction Contracting and Construction Workforce:**

- JLR will be required to comply with the applicable provisions of the PDC Equity Policy which permits exceptions where there are specialized services, or would adversely affect the timing to open the new

facility

- JLR will require priority hiring and opportunities for hiring contractors from the General Contractor for a scope of work to include framing, painting, drywall and less technical or specialized construction so that contractors that align with PDC/e-zone inclusive requirements.

**d. Industry Support:**

- Sign on to the PDC sponsored technology sector letter and implementation program focused on industry diversity.

**H. Remedies**

- If JLR fails to perform its obligations under this Agreement within 30 days of being alerted by PDC of a material breach, PDC shall be entitled to payment in an amount equal to 50% of the property tax savings resulting from the property tax exemption and personal or corporate tax credits granted to JLR's Project. The parties agree upon this remedy as reasonable liquidated damages, since the actual damages for breach of contract are difficult to ascertain.

