



Amendment No. 1
to
Contract No. NA170000171
for
Economic Development Finance Professional Training
between
Austin DMO, Inc.
dba Downtown Austin Alliance
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be December 20, 2017 through December 19, 2018. No options will remain.
- 2.0 The total contract amount is increased by \$35,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 06/20/2017 – 12/19/2017	\$35,000.00	\$35,000.00
Amendment No. 1: Option 1 – Extension 12/20/2017 – 12/19/2018	\$35,000.00	\$70,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Molly Alexander 9/8/17

Printed Name: Molly Alexander
Authorized Representative

Austin DMO, Inc.
dba Downtown Austin Alliance
211 East 7th Street, Suite 818
Austin, Texas 78701-3218
(512) 381-6264
cbetts@downtownaustin.com

Sign/Date: Mike Zambrano 11-28-2017

Mike Zambrano, Jr.
Contract Management Specialist III
City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701

**CONTRACT BETWEEN THE CITY OF AUSTIN
AND
Austin DMO, Inc. dba Downtown Austin Alliance
For
Economic Development Finance Professional (EDFP) Certification Training
MA 5500-NA170000171**

This Contract is made by and between the City of Austin ("City"), a home-rule municipality incorporated by the State of Texas, and Austin DMO, Inc. dba Downtown Austin Alliance ("Contractor"), having offices at 211 East 7th Street Austin, TX 78701.

SECTION 1. GRANT OF AUTHORITY, SERVICES AND DUTIES

1.1 **Engagement of the Contractor.** Subject to the general supervision and control of the City and subject to the provisions of the Terms and Conditions contained herein, the Contractor is engaged to provide the services set forth in Section 2, Scope of Work.

1.2 **Responsibilities of the Contractor.** The Contractor shall provide all technical and professional expertise, knowledge, management, and other resources required for accomplishing all aspects of the tasks and associated activities identified in the Scope of Work. In the event that the need arises for the Contractor to perform services beyond those stated in the Scope of Work, the Contractor and the City shall negotiate mutually agreeable terms and compensation for completing the additional services.

1.3 **Responsibilities of the City.** The City's Contract Manager will be responsible for exercising general oversight of the Contractor's activities in completing the Scope of Work. Specifically, the Contract Manager will represent the City's interests in resolving day-to-day issues that may arise during the term of this Contract, shall participate regularly in conference calls or meetings for status reporting, shall promptly review any written reports submitted by the Contractor, and shall approve all invoices for payment, as appropriate. The City's Contract Manager shall give the Contractor timely feedback on the acceptability of progress and task reports.

1.4 **Designation of Key Personnel.** The Contractor's Contract Manager for this engagement shall be Molly Alexander, Phone:(512) 381-6265 Email Address: malexander@downtownaustin.com. The City's Contract Manager for the engagement shall be Christine Maguire, Phone: (512) 974-7131, Email Address: christine.maguire@austintexas.gov. The City and the Contractor resolve to keep the same key personnel assigned to this engagement throughout its term. In the event that it becomes necessary for the Contractor to replace any key personnel, the replacement will be an individual having equivalent experience and competence in executing projects such as the one described herein. Additionally, the Contractor will promptly notify the City Contract Manager and obtain approval for the replacement. Such approval shall not be unreasonably withheld.

SECTION 2. SCOPE OF WORK

2.1 **Contractor's Obligations.** The Contractor shall fully and timely provide all deliverables described herein and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

2.2 **Tasks.** In order to accomplish the work described herein, the Contractor shall perform the tasks as described in Exhibit A, Scope of Work, attached hereto.

SECTION 3. COMPENSATION

3.1 **Contract Amount.** The Contractor will be paid as indicated herein upon the successful completion of the Scope of Work. In consideration for the services to be performed under this Contract, the Contractor shall be paid an amount not-to-exceed \$35,0000 for the initial six (6) month term, then shall be paid \$35,000 for the sole extension option for a total not-to-exceed contract amount of \$70,000 for all fees and expenses.

3.2 **Economic Price Adjustment.**

3.2.1. **Price Adjustments.** Prices shown in this Contract shall remain firm for the life of the Contract.

3.3 **Invoices.**

3.3.1 **Invoices shall contain a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Contractor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the

Contractor's invoice. Invoices received without all required information cannot be processed and will be returned to the Contractor. Invoices shall be mailed to the below address:

	City of Austin
Department	Economic Development Department
Attn:	Accounts Payable
Address	PO BOX 1088
City, State, Zip Code	Austin, TX 78767
Email:	Christine.Maguire@austintexas.gov

3.3.2 Invoices must be accompanied with the following documentation:

3.3.2.1 A copy of the sign in sheet from the class/course.

3.3.2.2 A copy of the Contractor's paid invoice to the National Development Council.

3.3.3 Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

3.3.4 Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

3.4 **Payment.**

3.4.1 All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.

3.4.2 If payment is not timely made, (per this paragraph), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.

3.4.3 The City may withhold or off set the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:

3.4.3.1 delivery of defective or non-conforming deliverables by the Contractor;

3.4.3.2 third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

3.4.3.3 failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;

3.4.3.4 damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;

3.4.3.5 reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

3.4.3.6 failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or

3.4.3.7 failure of the Contractor to comply with any material provision of the Contract Documents.

3.4.4 Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

3.4.5 Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic transfer of funds.

3.5 **Non-Appropriation.** The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this Contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

3.6 **Final Payment and Close-Out.**

3.6.1 The making and acceptance of final payment will constitute:

3.6.1.1 a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

3.6.1.2 a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

SECTION 4. TERM AND TERMINATION

4.1 **Term of Contract.** The Contract shall be in effect for an initial term of twelve (12) months and may be extended thereafter for up to one (1) additional twelve (12) month period, subject to the approval of the Contractor and the City Purchasing Officer or his designee.

4.1.1 Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 calendar days unless mutually agreed on in writing).

4.2 **Right To Assurance.** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

4.3 **Default.** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under the "Right to Assurance paragraph herein, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by Contractor to the City.

4.4 **Termination For Cause.** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

4.5 **Termination Without Cause.** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days prior written notice. Upon receipt of a notice of termination,

the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

4.6 **Fraud.** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

SECTION 5. OTHER DELIVERABLES

5.1 **Insurance:** The following insurance requirements apply.

5.1.1 **General Requirements.**

5.1.1.1 The Contractor shall at a minimum carry insurance in the types and amounts indicated herein for the duration of the Contract and during any warranty period.

5.1.1.2 The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to Contract execution and within fourteen (14) calendar days after written request from the City.

5.1.1.3 The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.

5.1.1.4 The Contractor shall not commence work until the required insurance is obtained and has been reviewed by City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

5.1.1.5 The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

5.1.1.6 The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.

5.1.1.7 All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall be mailed to the following address:

City of Austin
Purchasing Office
P. O. Box 1088
Austin, Texas 78767

5.1.1.8 The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

5.1.1.9 If insurance policies are not written for amounts specified in Paragraph 5.1.2, Specific Coverage Requirements, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

5.1.1.10 The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

5.1.1.11 The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

5.1.1.12 The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

5.1.1.13 The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

5.1.1.14 The Contractor shall endeavor to provide the City thirty (30) calendar days written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.

5.1.2 **Specific Coverage Requirements.** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

5.1.2.1 **Commercial General Liability Insurance.** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries). The policy shall contain the following provisions and endorsements.

5.1.2.1.1 Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.

5.1.2.1.2 Contractor/Subcontracted Work.

5.1.2.1.3 Products/Completed Operations Liability for the duration of the warranty period.

5.1.2.1.4 Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage.

5.1.2.1.5 Thirty (30) calendar days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage.

5.1.2.1.6 The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage.

5.1.2.2 **Business Automobile Liability Insurance.** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident. The policy shall contain the following endorsements:

5.1.2.2.1 Waiver of Subrogation, Endorsement CA0444, or equivalent coverage.

5.1.2.2.2 Thirty (30) calendar days' Notice of Cancellation, Endorsement CA0244, or equivalent coverage.

5.1.2.2.3 The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

5.1.2.3 **Worker's Compensation and Employers' Liability Insurance.** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000

bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee. The policy shall contain the following provisions and endorsements:

5.1.2.3.1 The Contractor's policy shall apply to the State of Texas.

5.1.2.3.2 Waiver of Subrogation, Form WC420304, or equivalent coverage.

5.1.2.3.3 Thirty (30) calendar days' Notice of Cancellation, Form WC420601, or equivalent coverage.

5.1.2.5 **Endorsements.** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

5.2 **Equal Opportunity.**

5.2.1 **Equal Employment Opportunity.** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

5.2.2 **Americans With Disabilities Act (ADA) Compliance.** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.

5.3 **Acceptance of Incomplete or Non-Conforming Deliverables.** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

5.4 **Delays.**

5.4.1 The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified herein. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

5.4.2 Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

5.5 **Rights to Proposal and Contractual Material.** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary

must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.

5.6 **Publications.** All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

SECTION 6. WARRANTIES

6.1 Warranty – Price.

6.1.1 The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

6.1.2 The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

6.1.3 In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

6.2 **Warranty – Services.** The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

6.2.1 The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

6.2.2 Unless otherwise specified in the Contract, the warranty period shall be at least one year from the acceptance date. If during the warranty period, one or more of the warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

6.2.3 If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

SECTION 7. MISCELLANEOUS

7.1 Workforce.

7.1.1 The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.

7.1.2 The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property:

7.1.2.1 use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the Contract; and

7.2.2.2 use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

7.1.3 If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

7.2 **Compliance with Health, Safety, and Environmental Regulations.** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

7.3 **Significant Event.** The Contractor shall immediately notify the City's Contract Manager of any current or prospective "significant event" on an ongoing basis. All notifications shall be submitted in writing to the Contract Manager. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the Contractor's ability to meet its contractual obligations. Significant events may include but not be limited to the following:

7.3.1 disposal of major assets;

7.3.2 any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this Contract;

7.3.3 any significant termination or addition of provider contracts;

7.3.4 the Contractor's insolvency or the imposition of, or notice of the intent to impose, a receivership, conservatorship or special regulatory monitoring, or any bankruptcy proceedings, voluntary or involuntary, or reorganization proceedings;

7.3.5 strikes, slow-downs or substantial impairment of the Contractor's facilities or of other facilities used by the Contractor in the performance of this Contract;

7.3.6 reorganization, reduction and/or relocation in key personnel;

7.3.7 known or anticipated sale, merger, or acquisition;

7.3.8 known, planned or anticipated stock sales;

7.3.9 any litigation against the Contractor; or

7.3.10 significant change in market share or product focus.

7.4 **Audits and Records.**

7.4.1 The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.

7.4.2 Records Retention:

7.4.2.1 Contractor is subject to City Code chapter 2-11 (Records Management), and as it may subsequently be amended. For purposes of this subsection, a Record means all books, accounts, reports, files, and other data recorded or created by a Contractor in fulfillment of the Contract whether in digital or physical format, except a record specifically relating to the Contractor's internal administration.

7.4.2.2 All Records are the property of the City. The Contractor may not dispose of or destroy a Record without City authorization and shall deliver the Records, in all requested formats and media, along with all finding aids and metadata, to the City at no cost when requested by the City.

7.4.3 The Contractor shall include sections 7.5.1 and 7.5.2 above in all subcontractor agreements entered into in connection with this Contract.

7.5 **Stop Work Notice.** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

7.6 **Indemnity.**

7.6.1 Definitions:

7.6.1.1 "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:

7.6.1.1.1 damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or;

7.6.1.1.2 death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),

7.6.1.2 "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

7.6.2 **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

7.7 **Claims.** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

7.8 **Notices.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the City and the Contractor shall be addressed as follows:

To the City:
City of Austin, Purchasing Office

To the Contractor:
Austin DOM, Inc.

ATTN: Claudia Rodriguez

P O Box 1088

Austin, TX 78767

ATTN: Name, Molly Alexander

211 E. 7th St. Ste# 181

Austin, TX 78701

7.9 **Confidentiality.** In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

7.10 **Advertising.** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

7.11 **No Contingent Fees.** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

7.12 **Gratuities.** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

7.13 **Prohibition Against Personal Interest in Contracts.** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.

7.14 **Independent Contractor.** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.

7.15 **Assignment-Delegation.** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.

7.16 **Waiver.** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

7.17 **Modifications.** The Contract can be modified or amended only in writing signed by both parties. No pre-printed or similar terms on any Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

7.18 **Interpretation.** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

7.19 **Dispute Resolution.**

7.19.1 If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

7.19.2 If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

7.20 **Minority And Women Owned Business Enterprise (MBE/WBE) Procurement Program.**

7.20.1 All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts.

7.20.2 The City of Austin has determined that no goals are appropriate for this Contract. **Even though no goals have been established for this Contract, the Contractor is required to comply with the City's MBE/WBE Procurement Program, Chapters 2-9A, 2-9B, 2-9C and 2-9D, of the City Code, as applicable, if areas of subcontracting are identified.**

7.20.3 If any service is needed to perform the Contract and the Contractor does not perform the service with its own workforce or if supplies or materials are required and the Contractor does not have the supplies or materials in its inventory, the Contractor shall contact the Department of Small and Minority Business Resources (DSMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Contractor must also make a Good Faith Effort to use available MBE

and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

7.21 Subcontractors.

7.21.1 If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan, the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.

7.21.2 Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:

7.21.2.1 require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract.

7.21.2.2 prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

7.21.2.3 require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

7.21.2.4 require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

7.21.2.5 require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

7.21.3 The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

7.21.4 The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

7.22 Jurisdiction And Venue. The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

7.23 Invalidity. The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed

severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

7.24 **Holidays.** The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

7.25 **Survivability of Obligations.** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

7.26 **Non-Suspension or Debarment Certification.** The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

7.27 **Incorporation of Documents. Section 0100, Standard Purchase Definitions,** is hereby incorporated into this Contract by reference, with the same force and effect as if they were incorporated in full text. The full text versions of this Section are available, on the Internet at the following online address:
https://assets.austintexas.gov/purchase/downloads/standard_purchase_definitions.pdf

In witness whereof, the parties have caused duly authorized representatives to execute this Contract on the dates set forth below.

Austin DMO, Inc dba Downtown Austin Alliance

CITY OF AUSTIN

By: _____

Signature

By: _____

Signature

Name: _____

Printed Name

Name: _____

Printed Name

Title: _____

Title: _____

Date: _____

Date: _____

List of Exhibits

Exhibit A	Scope of Work (including Pricing Agreement)
Exhibit B	Non Discrimination Certification, Section 0800
Exhibit C	Non-Suspension or Debarment Certification
Exhibit D	Economic Development Finance Professional (EDFP) Course Agendas
Exhibit E	Contract between National Development Council and Contractor

EXHIBIT A

SCOPE OF WORK

FOR

THE DOWNTOWN AUSTIN ALLIANCE

ECONOMIC DEVELOPMENT FINANCE PROFESSIONAL (EDFP) CERTIFICATION TRAINING

1. Economic Development Finance Professional (EDFP) Certification Training

(1.1) The Contractor will enter into a contract with the National Development Council to provide Economic Development Finance Professional (EDFP) certification training in Austin. NDC is the sole source provider of EDFP certification in the nation (see *NDC Sole Source Letter*). Certification requires the completion of four (4) one-week courses and passage of an exam at the end of each course. The following four courses comprise the requirements for EDFP certification. These tentative dates listed below are subject to change upon agreeable schedule between the City and the Contractor.

- ED 101 – Economic Development Finance June 2017
- ED 201 – Business Credit Analysis August 2017
- ED 202 – Real Estate Finance January 2018
- ED 300 – The Art of Deal Structuring February 2018

Exhibit D: EDFP Course Agendas details the topics covered, training materials, case analysis and examination required of each participant seeking certification for the course will be delivered under the terms of this Contract. The maximum number of participants per course shall not exceed fifty (50) unless mutually agreed to by the City, Contractor and the Contractor's consultant, the National Development Council (NDC).

(1.2) The Contractor shall have the classes conducted by the National Development Council (NDC) according to Exhibit D.

(1.3) The Contractor shall schedule the four classes for dates mutually convenient to the City and NDC who shall hold these dates exclusively for the Contractor for 30 (thirty) days from the date of this contract.

(1.4) The Consultant shall ensure that the terms and conditions of the contract between the Consultant and NDC are met. Those terms and activities are incorporated into the City's understanding of work to be performed by reference to this contract (attached). For example, the Contractor shall conduct all of the work and incur the expenses associated with marketing of the classes, including the tasks described in Exhibit E: Contract between Contractor and NDC, more specifically found in Supplement B to Part I -- Guidelines.

(2) The Contractor shall procure facilities and coordinate logistical arrangements involved in hosting the classes, including the tasks described in Supplement B of Exhibit E. The City can assist as needed.

2. Financial Consideration

The City shall pay the Contractor for each completed training course training fixed fee rate of \$3,250 per day and up to \$250 per day to cover the cost of facility rental, as follows:

Course	Days	Training Fee	Rental	Total
ED 101 - Economic Development Finance	5	\$3,250	\$250	\$17,500
ED 201 – Business Credit Analysis	5	\$3,250	\$250	\$17,500
ED 202 – Real Estate Finance	5	\$3,250	\$250	\$17,500
ED 300 – The Art of Deal Structuring	5	\$3,250	\$250	\$17,500
TOTAL	20			\$70,000

3. Reservation of City Seats

In exchange for the financial consideration above, the City shall reserve 25 seats per class to fill at its discretion. The City will provide the names of those filling the reserved seats to the Contractor within ten (10) business days prior to the training. Should the City choose not to fill its reserved number of seats for any class, it will notify the Contractor within fourteen (14) calendar days of the commencement of the class in writing to cede those seats to the Contractor. The Contractor will then have the opportunity to fill those spaces.

EXHIBIT B
City of Austin, Texas
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION

City of Austin, Texas
Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 20TH day of June, 2017

CONTRACTOR
Authorized
Signature

Title

ASTORIA DMO, INC.
[Signature]
President/CEO

Exhibit C

City of Austin, Texas

Section 0805

NON-SUSPENSION OR DEBARMENT CERTIFICATION

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

Contractor's Name:

Austin DMO, Inc.

Signature of Officer or
Authorized
Representative:



Date:

6-16-17

Printed Name:

DEWITT PEARL

Title

PRESIDENT/CEO

ED101

Economic Development Finance

PRESESSION ASSIGNMENT

- Review the *ED101-Economic Development Finance* Textbook.

DAY 1

8:30 a.m.

COFFEE AVAILABLE

9:00

WELCOME AND INTRODUCTIONS

9:30

ECONOMIC DEVELOPMENT FINANCE CONCEPTS

- Economic Development Financing Concepts
 - Goals
 - Basic Financing Terms
- The Importance of Small and Medium-Sized Businesses
 - America's Growth Industry

CASE STUDIES

11:00

BUSINESS DEVELOPMENT CHALLENGES

- The Long-term Financing Gap
 - Good Companies Are Forced to Accept Marginal Financing Terms
- Financing Healthy, Expanding Businesses

CASE STUDY

12:00 p.m.

LUNCH

1:30

AN ECONOMIC DEVELOPMENT FINANCING SYSTEM

- Public Sector Leadership and Priority
- Trained Professional Staff
- Marketing and Networking to Create a Flow of Deals

- Private Sector Tools and Incentives
- Public Sector Tools and Incentives
- Performance Goals
- Loan Packaging: Turning Theory into Jobs

CASE STUDY

5:00
(@ two hours)

IN-CLASS TEAM ASSIGNMENT

DAY 2

8:30 a.m.

REVIEW OF IN-CLASS ASSIGNMENT

9:00

INTRODUCTION TO BUSINESS CREDIT ANALYSIS

- Credit Is Easy But Backwards
- The Credit Question: Is CF > D/S?
- The Credit Analysis Process
 - Do I Want to Finance This Business?
 - If Yes, What Deal Do I Want to Do?
 - If I Do This Deal, Will the Company Have Difficulty Digesting Growth?
- The Balance Sheet Clues
- The Profit and Loss Statement Clues
- Statement Spreading

9:45

THE BALANCE SHEET

- Source and Use of Cash Statement
- Assets: Use of cash Threatening Survival
- Liabilities: Future Sources of Cash Ensuring Survival
- Quality Indicators
 - Does the Company Collect?
 - Does the Company Pay?
 - Does the Company Control Inventory?
 - Are the Owners Committed?
 - Does the Company Have a Profitable Operating History?

CASE STUDY

CASE STUDY

12:00 p.m. LUNCH

1:30 THE PROFIT AND LOSS STATEMENT

- How Well Does the Company Buy and Sell Inventory to Make a Profit?
- Managing Profits and Impacted Expenses
- Discretionary and Impacted Expenses
- Quality Indicators
 - Is the Company Growing?
 - Does the Company Maintain Margins?
 - Does the Company Control Overhead?
 - Is the Company Profitable?
 - Is there any Hidden Cash Flow?

CASE STUDY

3:00 RECONCILIATIONS

- Capital Expenditures
- Net Worth

3:30 CASE STUDY

5:00 IN-CLASS TEAM ASSIGNMENT
(@ two hours)

DAY 3

8:30 a.m. IMPACT OF THE OPERATING CYCLE

- Where's the Money?
- Measuring the Operating Cycle
- Types of Operating Cycles
- Working Capital Needs and Growth

9:15 REVIEW OF IN-CLASS ASSIGNMENT

10:30 BREAK

- 10:45** **STRUCTURING THE LOAN**
- Is CF > D/S?
 - Adjusted Cash Flow

CASE STUDY

12:00 pm **LUNCH**

- 1:00** **RESTRUCTURING OPTIONS**
- CASE STUDY**

- 2:30** **ECONOMIC DEVELOPMENT FINANCING PROGRAMS**
- U.S. Small Business Administration Programs
 - SBA 7(a) Program
 - SBA 504 Program

CASE STUDY

4:30 **IN-CLASS TEAM ASSIGNMENT**
(@ two hours)

DAY 4

8:30 a.m. **REVIEW OF IN-CLASS ASSIGNMENT**

- 10:00** **DEVELOPER REAL ESTATE FINANCING**
- Public Sector and Real Estate Development
 - Real Estate Concepts
 - Three Benefits of Owning Real Estate
 - Cash Flow
 - Tax Benefit
 - Appreciation
 - Pro Forma Income and Expense Statement
 - Lender Ratio

12:00 p.m. **LUNCH**

1:00 CASE STUDY

2:00 ECONOMIC DEVELOPMENT FINANCING PROGRAMS

- U.S. Department of Housing and Urban Development
 - Section 108
 - CDBG Interim Financing

2:30 CASE STUDY

5:00 TEST REVIEW/CLASS DISCUSSION

DAY 5

8:30 a.m. EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED201

Business Credit Analysis

PRESESSION ASSIGNMENT

- Read the entire *ED201 Business Credit Analysis* Textbook
- Read the case study, Magic Fingers, Inc. beginning on page 2 of the *ED201 – Business Credit Analysis* Casebook, and complete Assignment #1, Items #1 through #3

DAY 1

9:00 a.m. **WELCOME AND INTRODUCTIONS**

- 10:15 **REVIEW OF THE CREDIT ANALYSIS PROCESS**
- What are the Strengths and Weaknesses of this Company?
 - Can the Company Digest Growth?

CASE STUDY

1:00 p.m. **LUNCH**

2:30 **THE CREDIT ANALYSIS PROCESS**

CASE STUDY

5:00 **IN-CLASS TEAM ASSIGNMENT**
(approx. two hours)

CASE STUDIES

DAY 2

- 8:30 a.m. **PROFIT AND LOSS STATEMENT QUALITY INDICATORS**
- 9:00 **REVENUE AND EXPENSE RECOGNITION**
- 9:30 **BREAKEVEN POINT**
- CASE STUDY**
- 10:30 **OPERATING CYCLE AND PERMANENT WORKING CAPITAL**
- Analyzing the Operating Cycle
 - Defining Permanent Working Capital
 - Measuring Permanent Working Capital Needs
 - Financing Permanent Working Capital
- 12:30 p.m. **LUNCH**
- 2:00 **EXISTING AND PROJECTED PERMANENT WORKING CAPITAL**
- CASE STUDIES**
- 5:00 **IN-CLASS TEAM ASSIGNMENT: PERMANENT**
(approx. two hours) **WORKING CAPITAL**
- CASE STUDY**

DAY 3

- 8:30 a.m. **CASH FLOW ANALYSIS**
- Gross Funds
 - How Real is the Depreciation Add-back?
 - Permanent Working Capital Drains on Cash Flow
 - Cash Flow in a Mature Company
 - How the Operating Cycle Affects Cash Flow
 - Cash Available for Debt Service

- 10:00 CASH FLOW ANALYSIS AND LOAN STRUCTURING
CASE STUDY
- 11:00 CASE STUDY REVIEW
- 12:30 p.m. LUNCH
- 1:30 CASH FLOW ANALYSIS AND LOAN STRUCTURING
CASE STUDY
- 3:00 PROJECTIONS: FORECASTING FUTURE TRENDS
- Trend Analysis
 - Industry Analysis
 - Detailing Assumptions
- 4:00 ADJOURNMENT

DAY 4

- 8:30 a.m. PROJECTIONS: FORECASTING
- Projecting the Profit and Loss Statement
 - Projecting the Balance Sheet
 - Calculating Future Cash Flow
- 9:00 PROJECTIONS CASE STUDY
- 10:30 STRUCTURING AND PROJECTIONS CASE STUDIES
- 12:30 p.m. LUNCH

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2:00 STRUCTURING AND PROJECTIONS CASE STUDY (cont.)

3:00 CASE STUDY REVIEW

5:00 IN-CLASS TEAM ASSIGNMENT
(approx. two hours) **CASE STUDY**

DAY 5

8:30 a.m. CASE STUDY REVIEW

10:00 EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED202

Real Estate Finance

PRESESSION ASSIGNMENT

- Review the *ED202 – Real Estate Finance* Textbook.

DAY 1

- | | |
|------------|---|
| 8:30 a.m. | COFFEE AVAILABLE |
| 9:00 | WELCOME AND INTRODUCTIONS |
| 9:30 | REAL ESTATE FINANCING CONCEPTS <ul style="list-style-type: none">• Role of the Public Sector in Real Estate• Three Benefits of Owning Real Estate |
| 10:30 | THE DEVELOPMENT PROCESS <ul style="list-style-type: none">• Major Actors• Stages in the Development Process |
| 11:30 | KEY FINANCIAL ANALYSIS DOCUMENTS <ul style="list-style-type: none">• Source and Use Statement• Operating Pro Forma
CASE STUDY |
| 12:30 p.m. | LUNCH |
| 1:30 | DEVELOPERS <ul style="list-style-type: none">• Who Are They?• What Do They Do? |

- 2:00** **CAPITALIZATION RATES**
- CASE STUDY**
- 3:00** **PERMANENT LENDING UNDERWRITING AND RATIO ANALYSIS**
- Underwriting Issues
 - Lender Ratios
- CASE STUDY**
- 4:30** **CONSTRUCTION FINANCING**
- 5:00** **IN-CLASS TEAM ASSIGNMENT**
(@ two hours)
- CASE STUDY**
- Review Appraisal for Central Square Building

DAY 2

- 8:30 a.m.** **CASE STUDY REVIEW**
- 9:00** **REAL ESTATE APPRAISALS**
- Using Appraisals to Determine Value
 - Appraisals Provide Assumptions
- CASE STUDY**
- 12:00 p.m.** **LUNCH**
- 1:00** **TAXES AND REAL ESTATE DEVELOPMENT**
- Cash Flow After Tax
- CASE STUDY**
- Depreciation
 - Passive Income/Loss Limitations
 - Historic Preservation Tax Credits

CASE STUDY

4:00 **SYNDICATION**

5:00 **IN-CLASS TEAM ASSIGNMENT**
(@ two hours) **CASE STUDY**

DAY 3

8:30 a.m. **CASE STUDY REVIEW**

9:00 **LOW-INCOME HOUSING TAX CREDIT**

- Tax Credit Thresholds
- Limited Partnerships

CASE STUDY

11:00 **APPRECIATION BENEFIT OF REAL ESTATE**

- Sale Price and Net Sales Proceeds

CASE STUDY

12:00 p.m. **LUNCH**

1:00 **DISCOUNTED CASH FLOW ANALYSIS**

- Time Value of Money
- Internal Rate of Return

CASE STUDIES

4:00 **ADJOURNMENT**

DAY 4

8:30 a.m. PULLING IT ALL TOGETHER: STRUCTURING

9:15 CASE STUDY

11:15 CASE STUDY

12:00 p.m. LUNCH

1:30 CASE STUDY

3:00 FINANCING TOOLS

- Debt and Equity Vehicles Programs
- Other Structuring Tools

4:00 CASE STUDY

5:30 ADJOURNMENT

DAY 5

8:00 a.m. EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED300

The Art of Deal Structuring

PRESESSION ASSIGNMENT

- **Read** the chapter titled "Problem Solving: The Human Element in Doing Deals" on pages 1-19 of the *ED 300 Casebook*.
- **Review** the important concepts and analysis techniques you learned in the *ED 101*, *ED 201*, and *ED 202* courses. You may find the following information found in the *ED 300 Casebook* helpful as you prepare for the course:
 - Appendices A-N - Business Credit Analysis
 - Appendices O-U - Real Estate Analysis Process
- **Read** the Lakeside case study (pages 21 – 24 of the *ED 300 Casebook*) and complete the pres-session assignment.
- **Read** Superstition Mountain Photography case study on pages 25-31 of the *ED 300 Casebook*.
 - Spread the financial statements, line 1 – 69, on the blank spreadsheet available in the back of the casebook
 - Complete the Quality Indicator Checklist on blank form provided in the back of the *ED 300 Casebook*.
 - Complete the Historical Permanent Working Capital Analysis worksheet on blank form provide in the back of the *ED 300 Casebook*.

DAY 1

8:30 a.m.

COFFEE AVAILABLE

9:00

WELCOME AND INTRODUCTIONS

9:45

OVERVIEW LECTURE: The Problem Solving Process

- Definition and Diagnosis
- The Thresholds
- Analyzing the Participants
- Creating Solutions

10:30

CASE STUDY

- Generate, Test and Sell Solutions
- Define the Problems
- Determine Thresholds
- Analyze Participants

12:00 p.m.

LECTURE

- Principles of Negotiation
- Role in Problem Solving Framework

12:30

LUNCH

2:00

REAL ESTATE DEVELOPMENT

- Real Estate Finance Overview
- Structuring Solutions

3:00

CASE STUDY

- Define the Problems
- Determine Thresholds
- Analyze the Participants
- Generate Solutions
- Test Solutions
- Sell Solutions

5:00

(@ two hours)

**IN-CLASS TEAM ASSIGNMENT
CASE STUDY**

DAY 2

8:30

REVIEW OF CASE STUDY

- Definition of Problems
- Thresholds
- Participants
- Solutions

- | | |
|-------------------|---|
| 11:00 | CASE STUDY |
| 12:00 p.m. | LUNCH |
| 1:30 | LECTURE – Historic Rehabilitation Tax Credits (RTC) |
| 2:30 | CASE STUDY |
| 3:00 | LECTURE - New Markets Tax Credits |
| 4:00 | CASE STUDY <ul style="list-style-type: none"> • Identify the Thresholds • Assess the Participants • Propose Solutions |

DAY 3

- | | |
|------------------|--|
| 8:30 a.m. | REVIEW OF CASE STUDY |
| 9:30 a.m. | LECTURE <ul style="list-style-type: none"> • Review of Business Finance • Valuation, Pricing and Structuring Financing for Buyouts • Problem Solving Framework |
| 10:00 | REVIEW OF SUPERSTITION PRESESSION ASSIGNMENT |
| 10:45 | CASE STUDY |

12:00 p.m. **LUNCH**

1:30 **CASE STUDY (CONT.)**

3:30 **CASE STUDY**

5:00 **ADJOURNMENT**

DAY 4

8:30 a.m. **CASE STUDY**

- Definition of Financial Problems
- Determination of Thresholds
- Identifying the Participants
- Formulate Solutions

12:00 p.m. **LUNCH**

1:30 **LECTURE**

- Workouts
- Bankruptcy
- Absolute Priority Rule

2:30 **CASE STUDY**

- Articulate the Financial Problem
- Determine the Thresholds

5:00 **STRUCTURING AND RESTRUCTURING**

6:00 **ADJOURNMENT**

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DAY 5

**8:00 a.m. EXAMINATION FOR NATIONAL DEVELOPMENT COUNCIL
EDFP CERTIFICATION**

2:00 p.m. EXAMINATIONS COLLECTED

Version: 05 062016

CONTRACT
between the
NATIONAL DEVELOPMENT COUNCIL
And
DOWNTOWN AUSTIN ALLIANCE

This Contract consists of the following:

- (1) Part I -- Special Provisions
- (2) Supplement A. to Part I -- Course Agendas
- (3) Supplement B. to Part I -- Guidelines

PART I -- Special Provisions

ARTICLE I -- PARTIES

- 1-1 (1) The National Council for Community Development, doing business as the National Development Council, hereinafter the "Contractor," is located at One Battery Park Plaza, 24 Whitehall Street, Suite 710, New York, New York 10004. The Contractor is a private, not-for-profit 501(c)(3) corporation. The Contractor's Federal Employer Identification Number is 13-6532871.
- (2) The Contractor's Project Director is Thomas Jackson, Director of Training, The National Development Council, 927 Dudley Road, Edgewood, Kentucky 41017, (859) 578-4850 (phone), (859) 578-4860 (fax), tjackson@ndconline.org (e-mail).
- 1-2 (1) Downtown Austin Alliance, hereinafter the "Client," is located at 211 E. 7th Street, Suite 818, Austin, Texas 78701.
- (2) The Client's Project Contact is Mandi Thomas, Partnerships & Development Director, 512-479-8834 (phone), mthomas@downtownaustin.com (e-mail).

ARTICLE II -- SCOPE OF SERVICES

2-1 Specific Tasks

- (1) The Contractor, as an independent contractor and not as an agent of the Client, shall provide the personnel, services and supplies necessary for the presentation of the Contractor's Economic Development Finance Professional (EDFP) certification program, a four-class training series, for a maximum of 50 (fifty) participants, for the courses titled as follows:

- *ED101 – Economic Development Finance*
TBD, 2017
 - *ED201 – Business Credit Analysis*
TBD, 2017
 - *ED202 – Real Estate Finance*
TBD, 2018
 - *ED300 – The Art of Deal Structuring*
TBD, 2018
- (2) The Contractor shall carry out the classes according to the content outlined in the agenda for each course attached to this Contract as Supplement A to Part I - Course Agendas.
 - (3) The Contractor, in conjunction with the Client, shall schedule the four classes as dated above. The Contractor shall hold these dates exclusively for the Client for 30 (thirty) days from the date of this contract.
 - (4) For the *ED101* and *ED202* classes, the Contractor shall e-mail presession materials to class registrants no later than four (4) weeks before each session, provided that the Client has provided contact information to the Contractor for all registrants by this time.
 - (5) For the *ED201* and *ED300* classes, the Contractor shall verify that all registrants submitted by the Client meet course prerequisites, and will e-mail presession materials to registrants no later than three (3) weeks before each class. The Contractor reserves the right to decline the registration of individuals who do not meet course prerequisites.
 - (6) The Contractor shall e-mail evaluations to training participants on the last day of each of the four courses and shall e-mail aggregated results of all completed evaluations to the Client's Project Contact following completion of the class.
 - (7) The Contractor shall grade examinations taken by training participants and e-mail the exam results to each individual. Individual examination results are confidential and the Contractor shall not release information regarding grades to anyone other than the course participants unless authorized by the participant to do so. Aggregated exam results will be available to the Client upon request.
 - (8) The Contractor shall prepare and ship individually numbered plaques to training participants who successfully complete all requirements of the EDFP certification program.

- (9) The Contractor retains ownership and reserves all rights with regard to its course materials. The Contractor's course materials are developed, written and copyrighted by the Contractor. No part of the course materials may be reproduced or transmitted in any form or by any means without the written permission of the Contractor.
- 2-2 (1) The Client shall conduct all of the work and incur the expenses associated with marketing of the classes, including the tasks described in Supplement B to Part I -- Guidelines, of this Contract.
- (2) The Client shall procure facilities and coordinate logistical arrangements involved in hosting the classes, including the tasks described in Supplement B to Part I -- Guidelines, of this Contract.

ARTICLE III -- FINANCIAL CONSIDERATIONS

3-1 Total

- (1) In full consideration of the Contractor's satisfactory performance of the services under this Contract, the Client shall pay the Contractor a fixed fee for each completed training course at a rate of \$6,500.00 (six thousand five hundred dollars) per day of training, as follows:

Course	Days	Fee
<i>ED101 – Economic Development Finance</i>	5	\$32,500
<i>ED201 – Business Credit Analysis</i>	5	\$32,500
<i>ED202 – Real Estate Finance</i>	5	\$32,500
<i>ED300 – The Art of Deal Structuring</i>	5	\$32,500
TOTAL	20	\$130,000

The fee shall cover the Contractor's costs associated with personnel, time, materials, travel expenses and overhead for presentation of each class, for any number of participants up to and including 50 (fifty).

- (2) The maximum obligation of the Client to the Contractor is \$130,000.00 (one hundred thirty thousand dollars) for the completed training classes as described in Section 3-1 above.

3-2 Method of Payment

- (1) The Client shall pay the Contractor the total class fee identified in Section 3-1, above, immediately upon completion of each class.


3-3 Cancellation

- (1) The Client may cancel this Contract, in whole or part and without penalty, upon written notice to the Contractor by 40 (forty) or more days before a classes scheduled commencement.
- (2) In the event the Client cancels this Contract fewer than 40 (forty) days before a class, the Client shall pay the Contractor a cancellation penalty of 10% (ten percent) of the total class fee.

3-4 Binding Effect; Choice of Law

This Contract shall bind the parties, their personal representatives, successors and assigns and shall be governed by the laws of the State of Texas. Any legal action brought regarding this Contract may be brought in the federal or state courts, as appropriate, serving Travis County, Texas, and the parties hereby consent to the jurisdiction and venue of such courts.

AGREED:



Dewitt Peart, President & CEO
Downtown Austin Alliance

3-29-17

Date



Daniel Marsh III, President
National Development Council

4/6/2017

Date

SUPPLEMENT A.
COURSE AGENDAS

ED101

Economic Development Finance

PRESESSION ASSIGNMENT

- Review the *ED101-Economic Development Finance* Textbook.

DAY 1

8:30 a.m. COFFEE AVAILABLE

9:00 WELCOME AND INTRODUCTIONS

9:30 **ECONOMIC DEVELOPMENT FINANCE CONCEPTS**

- Economic Development Financing Concepts
 - Goals
 - Basic Financing Terms
- The Importance of Small and Medium-Sized Businesses
 - America's Growth Industry

CASE STUDIES

11:00 **BUSINESS DEVELOPMENT CHALLENGES**

- The Long-term Financing Gap
 - Good Companies Are Forced to Accept Marginal Financing Terms
- Financing Healthy, Expanding Businesses

CASE STUDY

12:00 p.m. LUNCH

1:30 **AN ECONOMIC DEVELOPMENT FINANCING SYSTEM**

- Public Sector Leadership and Priority
- Trained Professional Staff
- Marketing and Networking to Create a Flow of Deals

- Private Sector Tools and Incentives
- Public Sector Tools and Incentives
- Performance Goals
- Loan Packaging: Turning Theory into Jobs

CASE STUDY

5:00
(@ two hours)

IN-CLASS TEAM ASSIGNMENT

DAY 2

8:30 a.m.

REVIEW OF IN-CLASS ASSIGNMENT

9:00

INTRODUCTION TO BUSINESS CREDIT ANALYSIS

- Credit Is Easy But Backwards
- The Credit Question: Is CF > D/S?
- The Credit Analysis Process
 - Do I Want to Finance This Business?
 - If Yes, What Deal Do I Want to Do?
 - If I Do This Deal, Will the Company Have Difficulty Digesting Growth?
- The Balance Sheet Clues
- The Profit and Loss Statement Clues
- Statement Spreading

9:45

THE BALANCE SHEET

- Source and Use of Cash Statement
- Assets: Use of cash Threatening Survival
- Liabilities: Future Sources of Cash Ensuring Survival
- Quality Indicators
 - Does the Company Collect?
 - Does the Company Pay?
 - Does the Company Control Inventory?
 - Are the Owners Committed?
 - Does the Company Have a Profitable Operating History?

CASE STUDY

CASE STUDY

12:00 p.m.

LUNCH

1:30

THE PROFIT AND LOSS STATEMENT

- How Well Does the Company Buy and Sell Inventory to Make a Profit?
- Managing Profits and Impacted Expenses
- Discretionary and Impacted Expenses
- Quality Indicators
 - Is the Company Growing?
 - Does the Company Maintain Margins?
 - Does the Company Control Overhead?
 - Is the Company Profitable?
 - Is there any Hidden Cash Flow?

CASE STUDY

3:00

RECONCILIATIONS

- Capital Expenditures
- Net Worth

3:30

CASE STUDY

5:00

(@ two hours)

IN-CLASS TEAM ASSIGNMENT

DAY 3

8:30 a.m.

IMPACT OF THE OPERATING CYCLE

- Where's the Money?
- Measuring the Operating Cycle
- Types of Operating Cycles
- Working Capital Needs and Growth

9:15

REVIEW OF IN-CLASS ASSIGNMENT

10:30

BREAK

10:45 STRUCTURING THE LOAN

- Is $CF > D/S$?
- Adjusted Cash Flow

CASE STUDY**12:00 pm LUNCH****1:00 RESTRUCTURING OPTIONS****CASE STUDY****2:30 ECONOMIC DEVELOPMENT FINANCING PROGRAMS**

- U.S. Small Business Administration Programs
 - SBA 7(a) Program
 - SBA 504 Program

CASE STUDY**4:30 IN-CLASS TEAM ASSIGNMENT**
(@ two hours)**DAY 4**

8:30 a.m. REVIEW OF IN-CLASS ASSIGNMENT**10:00 DEVELOPER REAL ESTATE FINANCING**

- Public Sector and Real Estate Development
- Real Estate Concepts
- Three Benefits of Owning Real Estate
 - Cash Flow
 - Tax Benefit
 - Appreciation
- Pro Forma Income and Expense Statement
- Lender Ratio

12:00 p.m. LUNCH

1:00 CASE STUDY

2:00 ECONOMIC DEVELOPMENT FINANCING PROGRAMS

- U.S. Department of Housing and Urban Development
 - Section 108
 - CDBG Interim Financing

2:30 CASE STUDY

5:00 TEST REVIEW/CLASS DISCUSSION

DAY 5

8:30 a.m. EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED201

Business Credit Analysis

PRESESSION ASSIGNMENT

- Read the entire *ED201 Business Credit Analysis* Textbook
- Read the case study, Magic Fingers, Inc. beginning on page 2 of the *ED201 – Business Credit Analysis* Casebook, and complete Assignment #1, Items #1 through #3

DAY 1

9:00 a.m. **WELCOME AND INTRODUCTIONS**

10:15 **REVIEW OF THE CREDIT ANALYSIS PROCESS**

- What are the Strengths and Weaknesses of this Company?
- Can the Company Digest Growth?

CASE STUDY

1:00 p.m. **LUNCH**

2:30 **THE CREDIT ANALYSIS PROCESS**

CASE STUDY

5:00
(approx. two hours) **IN-CLASS TEAM ASSIGNMENT**

CASE STUDIES

DAY 2

8:30 a.m.	PROFIT AND LOSS STATEMENT QUALITY INDICATORS
9:00	REVENUE AND EXPENSE RECOGNITION
9:30	BREAKEVEN POINT CASE STUDY
10:30	OPERATING CYCLE AND PERMANENT WORKING CAPITAL <ul style="list-style-type: none">• Analyzing the Operating Cycle• Defining Permanent Working Capital• Measuring Permanent Working Capital Needs• Financing Permanent Working Capital
12:30 p.m.	LUNCH
2:00	EXISTING AND PROJECTED PERMANENT WORKING CAPITAL CASE STUDIES
5:00 (approx. two hours)	IN-CLASS TEAM ASSIGNMENT: PERMANENT WORKING CAPITAL CASE STUDY

DAY 3

8:30 a.m.	CASH FLOW ANALYSIS <ul style="list-style-type: none">• Gross Funds• How Real is the Depreciation Add-back?• Permanent Working Capital Drains on Cash Flow• Cash Flow in a Mature Company• How the Operating Cycle Affects Cash Flow• Cash Available for Debt Service
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10:00	CASH FLOW ANALYSIS AND LOAN STRUCTURING CASE STUDY
11:00	CASE STUDY REVIEW
12:30 p.m.	LUNCH
1:30	CASH FLOW ANALYSIS AND LOAN STRUCTURING CASE STUDY
3:00	PROJECTIONS: FORECASTING FUTURE TRENDS <ul style="list-style-type: none">• Trend Analysis• Industry Analysis• Detailing Assumptions
4:00	ADJOURNMENT

DAY 4

8:30 a.m.	PROJECTIONS: FORECASTING <ul style="list-style-type: none">• Projecting the Profit and Loss Statement• Projecting the Balance Sheet• Calculating Future Cash Flow
9:00	PROJECTIONS CASE STUDY
10:30	STRUCTURING AND PROJECTIONS CASE STUDIES
12:30 p.m.	LUNCH

2:00	STRUCTURING AND PROJECTIONS CASE STUDY (cont.)
3:00	CASE STUDY REVIEW
5:00 (approx. two hours)	IN-CLASS TEAM ASSIGNMENT CASE STUDY

DAY 5

8:30 a.m.	CASE STUDY REVIEW
10:00	EXAMINATION
1:00 p.m.	EXAMINATIONS COLLECTED

ED202

Real Estate Finance

PRESESSION ASSIGNMENT

- Review the *ED202 – Real Estate Finance* Textbook.

DAY 1

8:30 a.m.	COFFEE AVAILABLE
9:00	WELCOME AND INTRODUCTIONS
9:30	REAL ESTATE FINANCING CONCEPTS <ul style="list-style-type: none">• Role of the Public Sector in Real Estate• Three Benefits of Owning Real Estate
10:30	THE DEVELOPMENT PROCESS <ul style="list-style-type: none">• Major Actors• Stages in the Development Process
11:30	KEY FINANCIAL ANALYSIS DOCUMENTS <ul style="list-style-type: none">• Source and Use Statement• Operating Pro Forma CASE STUDY
12:30 p.m.	LUNCH
1:30	DEVELOPERS <ul style="list-style-type: none">• Who Are They?• What Do They Do?

- 2:00** **CAPITALIZATION RATES**
- CASE STUDY**
- 3:00** **PERMANENT LENDING UNDERWRITING AND RATIO ANALYSIS**
- Underwriting Issues
 - Lender Ratios
- CASE STUDY**
- 4:30** **CONSTRUCTION FINANCING**
- 5:00** **IN-CLASS TEAM ASSIGNMENT**
 (@ two hours)
- CASE STUDY**
- Review Appraisal for Central Square Building

DAY 2

- 8:30 a.m.** **CASE STUDY REVIEW**
- 9:00** **REAL ESTATE APPRAISALS**
- Using Appraisals to Determine Value
 - Appraisals Provide Assumptions
- CASE STUDY**
- 12:00 p.m.** **LUNCH**
- 1:00** **TAXES AND REAL ESTATE DEVELOPMENT**
- Cash Flow After Tax
- CASE STUDY**
- Depreciation
 - Passive Income/Loss Limitations
 - Historic Preservation Tax Credits

CASE STUDY**4:00****SYNDICATION****5:00**

(@ two hours)

IN-CLASS TEAM ASSIGNMENT**CASE STUDY****DAY 3**

8:30 a.m.**CASE STUDY REVIEW****9:00****LOW-INCOME HOUSING TAX CREDIT**

- Tax Credit Thresholds
- Limited Partnerships

CASE STUDY**11:00****APPRECIATION BENEFIT OF REAL ESTATE**

- Sale Price and Net Sales Proceeds

CASE STUDY**12:00 p.m.****LUNCH****1:00****DISCOUNTED CASH FLOW ANALYSIS**

- Time Value of Money
- Internal Rate of Return

CASE STUDIES**4:00****ADJOURNMENT**

DAY 4

8:30 a.m. PULLING IT ALL TOGETHER: STRUCTURING

9:15 CASE STUDY

11:15 CASE STUDY

12:00 p.m. LUNCH

1:30 CASE STUDY

3:00 FINANCING TOOLS

- Debt and Equity Vehicles Programs
- Other Structuring Tools

4:00 CASE STUDY

5:30 ADJOURNMENT

DAY 5

8:00 a.m. EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED300

The Art of Deal Structuring

PRESESSION ASSIGNMENT

- **Read** the chapter titled “Problem Solving: The Human Element in Doing Deals” on pages 1-19 of the *ED 300 Casebook*.
- **Review** the important concepts and analysis techniques you learned in the *ED 101*, *ED 201*, and *ED 202* courses. You may find the following information found in the *ED 300 Casebook* helpful as you prepare for the course:
 - Appendices A-N - Business Credit Analysis
 - Appendices O-U - Real Estate Analysis Process
- **Read** the Lakeside case study (pages 21 – 24 of the *ED 300 Casebook*) and complete the pres-session assignment.
- **Read** Superstition Mountain Photography case study on pages 25-31 of the *ED 300 Casebook*.
 - Spread the financial statements, line 1 – 69, on the blank spreadsheet available in the back of the casebook
 - Complete the Quality Indicator Checklist on blank form provided in the back of the *ED 300 Casebook*.
 - Complete the Historical Permanent Working Capital Analysis worksheet on blank form provide in the back of the *ED 300 Casebook*.

DAY 1

8:30 a.m. COFFEE AVAILABLE

9:00 WELCOME AND INTRODUCTIONS

9:45 **OVERVIEW LECTURE: The Problem Solving Process**

- Definition and Diagnosis
- The Thresholds
- Analyzing the Participants
- Creating Solutions

- 10:30** **CASE STUDY**
- Generate, Test and Sell Solutions
 - Define the Problems
 - Determine Thresholds
 - Analyze Participants
- 12:00 p.m.** **LECTURE**
- Principles of Negotiation
 - Role in Problem Solving Framework
- 12:30** **LUNCH**
- 2:00** **REAL ESTATE DEVELOPMENT**
- Real Estate Finance Overview
 - Structuring Solutions
- 3:00** **CASE STUDY**
- Define the Problems
 - Determine Thresholds
 - Analyze the Participants
 - Generate Solutions
 - Test Solutions
 - Sell Solutions
- 5:00** **IN-CLASS TEAM ASSIGNMENT**
(@ two hours) **CASE STUDY**

DAY 2

- 8:30** **REVIEW OF CASE STUDY**
- Definition of Problems
 - Thresholds
 - Participants
 - Solutions

11:00	CASE STUDY
12:00 p.m.	LUNCH
1:30	LECTURE – Historic Rehabilitation Tax Credits (RTC)
2:30	CASE STUDY
3:00	LECTURE - New Markets Tax Credits
4:00	CASE STUDY <ul style="list-style-type: none"> • Identify the Thresholds • Assess the Participants • Propose Solutions

DAY 3

8:30 a.m.	REVIEW OF CASE STUDY
9:30 a.m.	LECTURE <ul style="list-style-type: none"> • Review of Business Finance • Valuation, Pricing and Structuring Financing for Buyouts • Problem Solving Framework
10:00	REVIEW OF SUPERSTITION PRESESSION ASSIGNMENT
10:45	CASE STUDY

12:00 p.m.	LUNCH
1:30	CASE STUDY (CONT.)
3:30	CASE STUDY
5:00	ADJOURNMENT

DAY 4

8:30 a.m.	CASE STUDY <ul style="list-style-type: none"> • Definition of Financial Problems • Determination of Thresholds • Identifying the Participants • Formulate Solutions
12:00 p.m.	LUNCH
1:30	LECTURE <ul style="list-style-type: none"> • Workouts • Bankruptcy • Absolute Priority Rule
2:30	CASE STUDY <ul style="list-style-type: none"> • Articulate the Financial Problem • Determine the Thresholds
5:00	STRUCTURING AND RESTRUCTURING
6:00	ADJOURNMENT

DAY 5

**8:00 a.m. EXAMINATION FOR NATIONAL DEVELOPMENT COUNCIL
EDFP CERTIFICATION**

2:00 p.m. EXAMINATIONS COLLECTED

Version: 05/062016

SUPPLEMENT B.
GUIDELINES

1. Marketing and Registration

Marketing of the classes, including all related expenses, shall be the responsibility of the Client, and may include:

1. marketing activities to promote attendance, including developing mailing lists, copying and mailing a marketing brochure, and making follow-up phone calls;
2. coordinating all course registrations;
3. assuring that the total number of registrants in each class does not exceed 50 (fifty);
4. providing the Contractor with a list of names, addresses and phone numbers of course registrants at least four (4) weeks before each class is scheduled to begin.

The Client may use the Contractor's on-line registration system at no additional cost.

2. Training Site

The Client shall procure a training site with a meeting room that meets the following specifications:

1. comfortably accommodates up to 50 (fifty) individuals at round, oval or rectangular tables capable of comfortably seating five (5) to six (6) persons per table; and rectangular tables for the instructor, audio visual equipment, class materials and refreshments if provided [minimally 1,400 (one thousand four hundred) square feet];
2. tends to be square rather than narrow;
3. has adequate lighting and sound proofing for a classroom situation, adequate ventilation, and no or very limited visual obstructions such as columns; and
4. is available during the in-class and homework hours indicated on the course agendas [homework lasts approximately two (2) hours].
5. The Client shall arrange and pay for the following items associated with the training site:
 - a. refreshments (if provided);

- b. two (2) flip charts and supporting easels;
- c. one (1) screen projection screen;
- d. meeting room rental, including, as necessary, adequate table rental and set-up fees, consistent with the room layout requirements outlined in 2.1 of this Supplement.

3. Lodging, Meal and Travel Expenses

Course participants are responsible for their own travel, lodging, meal and incidental expenses.



City of Austin FSD Purchasing Office

Certificate of Exemption

DATE: 03/23/2017

DEPT: Economic Development

TO: Purchasing Officer or Designee

FROM: Christine Maguire

BUYER: Claudia Rodriguez

PHONE: (512) 974-7131

Chapter 252 of the Local Government Code requires that municipalities comply with the procedures established for competitive sealed bids or proposals before entering into a contract requiring an expenditure of \$50,000 or more, unless the expenditure falls within an exemption listed in Section 252.022.

Senate Bill 7 amended Chapter 252 of the Local Government Code to exempt from the requirements of such Chapter expenditures made by a municipally owned electric utility for any purchases made by the municipally owned electric utility in accordance with procurement procedures adopted by a resolution of its governing body that sets out the public purpose to be achieved by those procedures. The Austin City Council has adopted Resolution No. 040610-02 to establish circumstances which could give rise to a finding of critical business need for Austin Energy.

This Certification of Exemption is executed and filed with the Purchasing Office as follows:

1. The undersigned is authorized to submit this certification.
2. The undersigned certifies that the following exemption is applicable to this purchase. (Please check which exemption you are certifying)

- ☐ a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality
- ☐ a procurement necessary to preserve or protect the public health or safety of municipality's residents
- ☐ a procurement necessary because of unforeseen damage to public machinery, equipment, or other property
- ☒ a procurement for personal, professional, or planning services
- ☐ a procurement for work that is performed and paid for by the day as the work progresses
- ☐ a purchase of land or right-of-way
- ☐ a procurement of items available from only one source, including: items that are available from only one source because of patents, copyrights, secret processes, or natural monopolies; films, manuscripts, or books; gas, water, and other utility services; captive replacement parts or components for

equipment; books, papers, and other library materials for a public library that are available only from the persons holding exclusive distribution rights to the materials; and management services provided by a nonprofit organization to a municipal museum, park, zoo, or other facility to which the organization has provided significant financial or other benefits

- ☐ a purchase of rare books, papers, and other library materials for a public library
- ☐ paving, drainage, street widening and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through special assessments levied on property that will benefit from the improvements
- ☐ a public improvement project, already in progress, authorized by voters of the municipality, for which there is a deficiency of funds for completing the project in accordance with the plans and purposes as authorized by the voters

- ☐ a payment under a contract by which a developer participates in the construction of a public improvement as provided by Subchapter C, Chapter 212
- ☐ personal property sold: at an auction by a state licensed auctioneer; at a going out of business sale held in compliance with Subchapter F, Chapter 17, Business & Commerce Code; by a political subdivision of this state, a state agency of this state, or an entity of the federal government; or under an interlocal contract for
 - cooperative purchasing administered by a regional planning commission established under Chapter 391
 - ☐ services performed by blind or severely disabled persons
 - ☐ goods purchased by a municipality for subsequent retail sale by the municipality
 - ☐ electricity
 - ☐ advertising, other than legal notices
 - ☐ Critical Business Need (Austin Energy Only)

3. The following facts as detailed below support an exemption according to Section 252.022 of the Local Government Code for this purchase. Please verify the steps taken to confirm these facts. If you are citing the following exemptions, please provide the additional information requested below. A more detailed explanation of these exemptions is attached.

- **Preserve and Protect the Public Health and Safety** – Describe how this purchase will preserve and protect the public safety of residents.
- **Sole Source** – Describe what patents, copyrights, secret processes, or natural monopolies exist. Attach a letter from vendor supporting the sole source. The letter must be on company letterhead and be signed by an authorized person in company management.
- **Personal Services** – Describe those services to be performed personally by the individual contracted to perform them.
- **Professional Services** – Describe what mainly mental or intellectual rather than physical or manual and/or disciplines requiring special knowledge or attainment and a high order of learning, skill, and intelligence are required to perform this service.
- **Planning Services** – Describe the services primarily intended to guide governmental policy to ensure the orderly and coordinated development of the state or of municipal, county, metropolitan, or regional land areas.
- **Critical Business Need** – Describe the procurement necessary to protect the competitive interests or position of Austin Energy.

Please see Economic Development Department PAF memo and two related attachments:
Attachment A: NDC Sole Source Letter and Attachment B: Course Agenda.

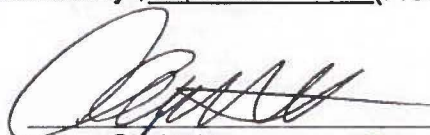
4. Please attach any documentation that supports this exemption.
5. Please provide any evaluation conducted to support the recommendation. Include the efforts taken to ensure the selected vendor is responsible and will provide the best value to the City (Ex: evaluation of other firms, knowledge of market, etc).

The DAA and its related entity has served as the only management entity of the Downtown Public Improvement District since 1993 and thus has solid organizational capacity to leverage sponsorships. The Economic Development Department manages the DAA management contact and has intimate knowledge of the DAA's financial and staff organizational capacity. Additionally, the DAA has as its core mission the revitalization of the Downtown. EDFP certification of not only the DAA staff but also key staff in the City will significantly advance the execution of real estate development projects called for in the Downtown Area Plan. This vendor provides the best value for the available resources, has specific need and understanding of the value of this training, and already serves as one of the City's economic development partners who has the capacity and mission to directly receive the benefits from this training.

This is a request for a contract with an initial term of 12 months at \$35,000 and 1, 12 month option at \$35,000, for a total contract value not to exceed \$70,000.

6. Because the above facts and documentation support the requested exemption, the City of Austin intends to contract with Downtown Austin Alliance c/o Downtown Austin Dev. Corp. which will cost approximately \$ 70,000.00 (Provide estimate and/or breakdown of cost).

Recommended
Certification

 24/3/2017
Originator Date

Approved
Certification

 4/6/2017
Department Director or designee Date

 4/6/17
Assistant City Manager / General Manager Date
or designee (if applicable)

Purchasing Review
(if applicable)

 6/9/17
Buyer Date Manager Initials

Exemption Authorized
(if applicable)

Purchasing Officer or designee Date

02/26/2013



March 9, 2017

Christine Maguire, AICP, EDFP
Redevelopment Division Manager
City of Austin | Economic Development Department
301 W. 2nd Street, Suite 2030
Austin, Texas 78701

Re: Sole Source Provider of the Economic Development Finance Professional (EDFP)
Certification Series

Dear Christine:

This letter is to confirm that the National Development Council (NDC) provides economic, housing and community development training to practitioners across the country. NDC is the sole source provider of the Economic Development Finance Professional (EDFP) certification series. Our well-known EDFP series is recognized as the gold standard in economic and community development finance. Each year, NDC certifies hundreds of people as Economic Development Finance Professionals through our open training classes and through classes sponsored by groups including statewide networks of Small Business Development Centers, Community Development Corporation (CDC) associations and state and local governments.

NDC builds capacity for local practitioners by designing and conducting classroom-training courses. Since the early 1970s, NDC's professionals have used the technical expertise gained through their work in communities to develop training courses designed to meet the unique needs of development finance practitioners. The courses focus on the analysis of actual deals structured by NDC's finance experts. Training participants work in small teams to analyze projects and structure appropriate solutions.

We are looking forward to working with you and to delivering a quality capacity building experience for your colleagues and partners at the City of Austin and the Downtown Austin Alliance. Please call me at (859) 578-4850 or email me at tjackson@ndconline.org with any questions or if you need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Jackson", with a long horizontal flourish extending to the left.

Tom Jackson
Director of Training

cc: James Reed, NDC



Main Office: 24 Whitehall Street, Suite 710, New York, NY 10004
Training Office: 927 Dudley Pike, Edgewood, KY 41017
Phone: 859-578-4850 Email: training@ndconline.org

ED101

Economic Development Finance

PRESESSION ASSIGNMENT

- Review the *ED101-Economic Development Finance* Textbook.

DAY 1

8:30 a.m. **COFFEE AVAILABLE**

9:00 **WELCOME AND INTRODUCTIONS**

- 9:30 **ECONOMIC DEVELOPMENT FINANCE CONCEPTS**
- Economic Development Financing Concepts
 - Goals
 - Basic Financing Terms
 - The Importance of Small and Medium-Sized Businesses
 - America's Growth Industry

CASE STUDIES

- 11:00 **BUSINESS DEVELOPMENT CHALLENGES**
- The Long-term Financing Gap
 - Good Companies Are Forced to Accept Marginal Financing Terms
 - Financing Healthy, Expanding Businesses

CASE STUDY

12:00 p.m. **LUNCH**

- 1:30 **AN ECONOMIC DEVELOPMENT FINANCING SYSTEM**
- Public Sector Leadership and Priority
 - Trained Professional Staff
 - Marketing and Networking to Create a Flow of Deals

- Private Sector Tools and Incentives
- Public Sector Tools and Incentives
- Performance Goals
- Loan Packaging: Turning Theory into Jobs

CASE STUDY

5:00
(@ two hours)

IN-CLASS TEAM ASSIGNMENT

DAY 2

8:30 a.m.

REVIEW OF IN-CLASS ASSIGNMENT

9:00

INTRODUCTION TO BUSINESS CREDIT ANALYSIS

- Credit Is Easy But Backwards
- The Credit Question: Is CF > D/S?
- The Credit Analysis Process
 - Do I Want to Finance This Business?
 - If Yes, What Deal Do I Want to Do?
 - If I Do This Deal, Will the Company Have Difficulty Digesting Growth?
- The Balance Sheet Clues
- The Profit and Loss Statement Clues
- Statement Spreading

9:45

THE BALANCE SHEET

- Source and Use of Cash Statement
- Assets: Use of cash Threatening Survival
- Liabilities: Future Sources of Cash Ensuring Survival
- Quality Indicators
 - Does the Company Collect?
 - Does the Company Pay?
 - Does the Company Control Inventory?
 - Are the Owners Committed?
 - Does the Company Have a Profitable Operating History?

CASE STUDY

CASE STUDY

12:00 p.m. LUNCH

1:30 THE PROFIT AND LOSS STATEMENT

- How Well Does the Company Buy and Sell Inventory to Make a Profit?
- Managing Profits and Impacted Expenses
- Discretionary and Impacted Expenses
- Quality Indicators
 - Is the Company Growing?
 - Does the Company Maintain Margins?
 - Does the Company Control Overhead?
 - Is the Company Profitable?
 - Is there any Hidden Cash Flow?

CASE STUDY

3:00 RECONCILIATIONS

- Capital Expenditures
- Net Worth

3:30 CASE STUDY

5:00 IN-CLASS TEAM ASSIGNMENT

(@ two hours)

DAY 3

8:30 a.m. IMPACT OF THE OPERATING CYCLE

- Where's the Money?
- Measuring the Operating Cycle
- Types of Operating Cycles
- Working Capital Needs and Growth

9:15 REVIEW OF IN-CLASS ASSIGNMENT

10:30 BREAK

- 10:45** **STRUCTURING THE LOAN**
- Is CF > D/S?
 - Adjusted Cash Flow

CASE STUDY

12:00 pm **LUNCH**

- 1:00** **RESTRUCTURING OPTIONS**
- CASE STUDY**

- 2:30** **ECONOMIC DEVELOPMENT FINANCING PROGRAMS**
- U.S. Small Business Administration Programs
 - SBA 7(a) Program
 - SBA 504 Program

CASE STUDY

4:30 **IN-CLASS TEAM ASSIGNMENT**
(@ two hours)

DAY 4

8:30 a.m. **REVIEW OF IN-CLASS ASSIGNMENT**

- 10:00** **DEVELOPER REAL ESTATE FINANCING**
- Public Sector and Real Estate Development
 - Real Estate Concepts
 - Three Benefits of Owning Real Estate
 - Cash Flow
 - Tax Benefit
 - Appreciation
 - Pro Forma Income and Expense Statement
 - Lender Ratio

12:00 p.m. **LUNCH**

1:00 CASE STUDY

2:00 ECONOMIC DEVELOPMENT FINANCING PROGRAMS

- U.S. Department of Housing and Urban Development
 - Section 108
 - CDBG Interim Financing

2:30 CASE STUDY

5:00 TEST REVIEW/CLASS DISCUSSION

DAY 5

8:30 a.m. EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED201

Business Credit Analysis

PRESESSION ASSIGNMENT

- Read the entire *ED201 Business Credit Analysis* Textbook
- Read the case study, Magic Fingers, Inc. beginning on page 2 of the *ED201 – Business Credit Analysis* Casebook, and complete Assignment #1, Items #1 through #3

DAY 1

9:00 a.m. **WELCOME AND INTRODUCTIONS**

- 10:15 **REVIEW OF THE CREDIT ANALYSIS PROCESS**
- What are the Strengths and Weaknesses of this Company?
 - Can the Company Digest Growth?

CASE STUDY

1:00 p.m. **LUNCH**

2:30 **THE CREDIT ANALYSIS PROCESS**

CASE STUDY

5:00 **IN-CLASS TEAM ASSIGNMENT**
(approx. two hours)

CASE STUDIES

DAY 2

- 8:30 a.m. **PROFIT AND LOSS STATEMENT QUALITY INDICATORS**
- 9:00 **REVENUE AND EXPENSE RECOGNITION**
- 9:30 **BREAKEVEN POINT**
- CASE STUDY**
- 10:30 **OPERATING CYCLE AND PERMANENT WORKING CAPITAL**
- Analyzing the Operating Cycle
 - Defining Permanent Working Capital
 - Measuring Permanent Working Capital Needs
 - Financing Permanent Working Capital
- 12:30 p.m. **LUNCH**
- 2:00 **EXISTING AND PROJECTED PERMANENT WORKING CAPITAL**
- CASE STUDIES**
- 5:00 **IN-CLASS TEAM ASSIGNMENT: PERMANENT**
(approx. two hours) **WORKING CAPITAL**
- CASE STUDY**

DAY 3

- 8:30 a.m. **CASH FLOW ANALYSIS**
- Gross Funds
 - How Real is the Depreciation Add-back?
 - Permanent Working Capital Drains on Cash Flow
 - Cash Flow in a Mature Company
 - How the Operating Cycle Affects Cash Flow
 - Cash Available for Debt Service

- 10:00 CASH FLOW ANALYSIS AND LOAN STRUCTURING
CASE STUDY**
- 11:00 CASE STUDY REVIEW**
- 12:30 p.m. LUNCH**
- 1:30 CASH FLOW ANALYSIS AND LOAN STRUCTURING
CASE STUDY**
- 3:00 PROJECTIONS: FORECASTING FUTURE TRENDS**
- Trend Analysis
 - Industry Analysis
 - Detailing Assumptions
- 4:00 ADJOURNMENT**

DAY 4

- 8:30 a.m. PROJECTIONS: FORECASTING**
- Projecting the Profit and Loss Statement
 - Projecting the Balance Sheet
 - Calculating Future Cash Flow
- 9:00 PROJECTIONS CASE STUDY**
- 10:30 STRUCTURING AND PROJECTIONS CASE STUDIES**
- 12:30 p.m. LUNCH**

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2:00 STRUCTURING AND PROJECTIONS CASE STUDY (cont.)

3:00 CASE STUDY REVIEW

5:00 IN-CLASS TEAM ASSIGNMENT
(approx. two hours) **CASE STUDY**

DAY 5

8:30 a.m. CASE STUDY REVIEW

10:00 EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED202

Real Estate Finance

PRESESSION ASSIGNMENT

- Review the *ED202 – Real Estate Finance* Textbook.

DAY 1

- | | |
|------------|---|
| 8:30 a.m. | COFFEE AVAILABLE |
| 9:00 | WELCOME AND INTRODUCTIONS |
| 9:30 | REAL ESTATE FINANCING CONCEPTS <ul style="list-style-type: none">• Role of the Public Sector in Real Estate• Three Benefits of Owning Real Estate |
| 10:30 | THE DEVELOPMENT PROCESS <ul style="list-style-type: none">• Major Actors• Stages in the Development Process |
| 11:30 | KEY FINANCIAL ANALYSIS DOCUMENTS <ul style="list-style-type: none">• Source and Use Statement• Operating Pro Forma
CASE STUDY |
| 12:30 p.m. | LUNCH |
| 1:30 | DEVELOPERS <ul style="list-style-type: none">• Who Are They?• What Do They Do? |

- 2:00** **CAPITALIZATION RATES**
- CASE STUDY**
- 3:00** **PERMANENT LENDING UNDERWRITING AND RATIO ANALYSIS**
- Underwriting Issues
 - Lender Ratios
- CASE STUDY**
- 4:30** **CONSTRUCTION FINANCING**
- 5:00** **IN-CLASS TEAM ASSIGNMENT**
(@ two hours)
- CASE STUDY**
- Review Appraisal for Central Square Building

DAY 2

- 8:30 a.m.** **CASE STUDY REVIEW**
- 9:00** **REAL ESTATE APPRAISALS**
- Using Appraisals to Determine Value
 - Appraisals Provide Assumptions
- CASE STUDY**
- 12:00 p.m.** **LUNCH**
- 1:00** **TAXES AND REAL ESTATE DEVELOPMENT**
- Cash Flow After Tax
- CASE STUDY**
- Depreciation
 - Passive Income/Loss Limitations
 - Historic Preservation Tax Credits

CASE STUDY

4:00 **SYNDICATION**

5:00 **IN-CLASS TEAM ASSIGNMENT**
(@ two hours) **CASE STUDY**

DAY 3

8:30 a.m. **CASE STUDY REVIEW**

9:00 **LOW-INCOME HOUSING TAX CREDIT**

- Tax Credit Thresholds
- Limited Partnerships

CASE STUDY

11:00 **APPRECIATION BENEFIT OF REAL ESTATE**

- Sale Price and Net Sales Proceeds

CASE STUDY

12:00 p.m. **LUNCH**

1:00 **DISCOUNTED CASH FLOW ANALYSIS**

- Time Value of Money
- Internal Rate of Return

CASE STUDIES

4:00 **ADJOURNMENT**

DAY 4

8:30 a.m. PULLING IT ALL TOGETHER: STRUCTURING

9:15 CASE STUDY

11:15 CASE STUDY

12:00 p.m. LUNCH

1:30 CASE STUDY

3:00 FINANCING TOOLS

- Debt and Equity Vehicles Programs
- Other Structuring Tools

4:00 CASE STUDY

5:30 ADJOURNMENT

DAY 5

8:00 a.m. EXAMINATION

1:00 p.m. EXAMINATIONS COLLECTED

ED300

The Art of Deal Structuring

PRESESSION ASSIGNMENT

- **Read** the chapter titled "Problem Solving: The Human Element in Doing Deals" on pages 1-19 of the *ED 300 Casebook*.
- **Review** the important concepts and analysis techniques you learned in the *ED 101*, *ED 201*, and *ED 202* courses. You may find the following information found in the *ED 300 Casebook* helpful as you prepare for the course:
 - Appendices A-N - Business Credit Analysis
 - Appendices O-U - Real Estate Analysis Process
- **Read** the Lakeside case study (pages 21 – 24 of the *ED 300 Casebook*) and complete the pres-session assignment.
- **Read** Superstition Mountain Photography case study on pages 25-31 of the *ED 300 Casebook*.
 - Spread the financial statements, line 1 – 69, on the blank spreadsheet available in the back of the casebook
 - Complete the Quality Indicator Checklist on blank form provided in the back of the *ED 300 Casebook*.
 - Complete the Historical Permanent Working Capital Analysis worksheet on blank form provide in the back of the *ED 300 Casebook*.

DAY 1

8:30 a.m.

COFFEE AVAILABLE

9:00

WELCOME AND INTRODUCTIONS

9:45

OVERVIEW LECTURE: The Problem Solving Process

- Definition and Diagnosis
- The Thresholds
- Analyzing the Participants
- Creating Solutions

- 10:30** **CASE STUDY**
- Generate, Test and Sell Solutions
 - Define the Problems
 - Determine Thresholds
 - Analyze Participants
-
- 12:00 p.m.** **LECTURE**
- Principles of Negotiation
 - Role in Problem Solving Framework
-
- 12:30** **LUNCH**
-
- 2:00** **REAL ESTATE DEVELOPMENT**
- Real Estate Finance Overview
 - Structuring Solutions
-
- 3:00** **CASE STUDY**
- Define the Problems
 - Determine Thresholds
 - Analyze the Participants
 - Generate Solutions
 - Test Solutions
 - Sell Solutions
-
- 5:00** **IN-CLASS TEAM ASSIGNMENT**
 (@ two hours) **CASE STUDY**

DAY 2

- 8:30** **REVIEW OF CASE STUDY**
- Definition of Problems
 - Thresholds
 - Participants
 - Solutions

- 11:00** **CASE STUDY**
- 12:00 p.m.** **LUNCH**
- 1:30** **LECTURE – Historic Rehabilitation Tax Credits (RTC)**
- 2:30** **CASE STUDY**
- 3:00** **LECTURE - New Markets Tax Credits**
- 4:00** **CASE STUDY**
- Identify the Thresholds
 - Assess the Participants
 - Propose Solutions

DAY 3

- 8:30 a.m.** **REVIEW OF CASE STUDY**
- 9:30 a.m.** **LECTURE**
- Review of Business Finance
 - Valuation, Pricing and Structuring Financing for Buyouts
 - Problem Solving Framework
- 10:00** **REVIEW OF SUPERSTITION PRESESSION ASSIGNMENT**
- 10:45** **CASE STUDY**

12:00 p.m. **LUNCH**

1:30 **CASE STUDY (CONT.)**

3:30 **CASE STUDY**

5:00 **ADJOURNMENT**

DAY 4

8:30 a.m. **CASE STUDY**

- Definition of Financial Problems
- Determination of Thresholds
- Identifying the Participants
- Formulate Solutions

12:00 p.m. **LUNCH**

1:30 **LECTURE**

- Workouts
- Bankruptcy
- Absolute Priority Rule

2:30 **CASE STUDY**

- Articulate the Financial Problem
- Determine the Thresholds

5:00 **STRUCTURING AND RESTRUCTURING**

6:00 **ADJOURNMENT**

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DAY 5

**8:00 a.m. EXAMINATION FOR NATIONAL DEVELOPMENT COUNCIL
EDFP CERTIFICATION**

2:00 p.m. EXAMINATIONS COLLECTED

Version: 05 062016



Purchase Authorization Form

TO: Kevin Johns, Director, Economic Development Department
Alejandra Lopez, Deputy Director

FROM: Christine Maguire, Redevelopment Division Manager

DATE: April 3, 2017

SUBJECT: Purchase Authorization Request
Downtown Austin Alliance through its affiliate Downtown Austin Development Corp. (DADC)
Sponsorship of the National Development Council (NDC) – Economic Development Finance
Professional (EDFP) Certification Series in Austin

Description:

This request for purchasing the services of the Downtown Austin Alliance through its affiliate DADC is authorized by the signature(s) below. Expenditures under the contract will be charged to FDU: 7470-5500-2345-6531. The vendor will be procured by contract through a Professional Exemption from competitive bidding under Local Government Code 252 since the services procured are professional and planning services.

Professional Exemption Justification:

Execution of this memorandum authorizes the Redevelopment Division of the Economic Development Department to enter into a non-competitive contract with the Downtown Austin Alliance affiliate Downtown Austin Development Corporation (DADC) for offering Economic Development Finance Professional (EDFP) certification training through the National Development Council (NDC) locally in Austin. NDC is the sole source provider of EDFP certification in the nation (see *Attachment A: NDC Sole Source Letter*). This trademarked certification is widely recognized throughout the United States and Canada as one of the most prestigious credentials an economic development professional can achieve the profession. Certification requires the completion of four (4) one-week courses and passage of an exam at the end of each course on the following: 1) ED finance basics, 2) real estate finance, 3) business credit analysis, and 4) deal structuring (see *Attachment B: Course Agenda*). Economic development corporations, municipalities, community development finance institutions, and other public finance entities invest in this professional development to significantly upgrade the skillset of staff to carry out complex financial analysis and transactions that facilitate the expansion of businesses; new construction or redevelopment of real estate assets; and/or combination of both utilizing public and private sources of capital. These skills are essential to the successful execution of Imagine Austin and other Council-adopted and endorsed plans that serves as the policy basis of the EDD work program.

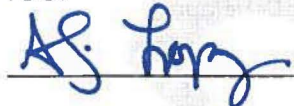
Partnering with the Downtown Austin Alliance through its non-profit affiliate DADC will make possible bringing this training locally to Austin, resulting in substantial cost savings to the City and making this training affordable and readily available to the City's external nonprofit redevelopment partners. NDC offers the certification course in diverse markets throughout the United States but none scheduled in Texas over the next two years and has rarely provided this training in Austin over the last decade. Sending one individual to a

week-long course would cost approximately \$5000 inclusive of travel, lodging, per diem and course fee. Offering this training in Austin would reduce this cost to approximately \$700, a \$4300 savings¹. The City's contract with the DAA's affiliate equates to half the cost of the NDC per class fee (\$32,500) and up to \$1250 for the weekly room rental, or a total amount of \$17,500 for a one week course. In exchange for this cost, The City will receive 25 seats. The DAA, in turn, will contract directly with the National Development Council for the full amount of the cost of the certification courses.

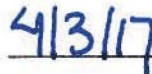
Contracting with the DAA through its nonprofit affiliate in this manner will enable the DAA to recruit sponsorships through its nonprofit affiliate in order to raise the other half of the cost. The DAA seeks to secure sufficient underwriting to lower the cost of seats below NDC's retail fee of \$1350 per seat, thereby making this training affordable to nonprofit organizations and leaders whose mission is the economic revitalization of Austin. Any proceeds will go to the DAA and/or its affiliate as a means to build the capacity of this entity to carry out redevelopment initiatives in the Downtown. The DAA and its related entity has served as the only management entity of the Downtown Public Improvement District since 1993 and has solid organizational capacity to leverage sponsorships. The Economic Development Department manages the DAA management contact and has intimate knowledge of the DAA's financial and staff organizational capacity. Additionally, the DAA has as its core mission the revitalization of the Downtown. EDFP certification of not only the DAA staff but also key staff in the City will significantly advance the execution of real estate development projects called for in the Downtown Area Plan. This vendor provides the best value for the available resources, has specific need and understanding of the value of this training, and already serves as one of the City's economic development partners who has the capacity and mission to directly receive the benefits from this training.

Summary:

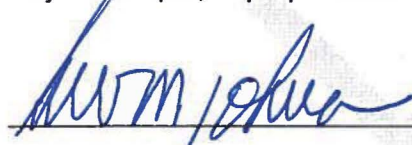
Procurement:	Professional Exemption
Vendor:	Downtown Austin Alliance (DAA) through affiliate Downtown Austin Development Corporation
Total Amount:	\$70,000
Term:	1 year (FY 2017 - \$35,000) with 1 year renewal option (FY 2018 - \$35,000)
FDU:	7470-5500-2345-6531



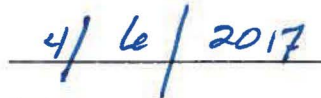
Reviewed and Recommended
Alejandra Lopez, Deputy Director



Date



Kevin Johns, Director



Date

Exhibit A: NDC Sole Source Letter
Exhibit B: Course Agenda

¹ Assumes break even cost of a 50 person class.