

Assessor's Parcel Number: N/A

Date: JANUARY 9, 2018

Recording Requested By:

Name: LISA GRANAHAN, COUNTY MANAGER'S OFC

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A



KAREN ELLISON, RECORDER

AGREEMENT #2018.005
(Title of Document)

AGREEMENT FOR ALLOCATION OF CATALYST FUNDS

A CONTRACT BETWEEN

DOUGLAS COUNTY, NEVADA
P.O. BOX 218
MINDEN, NV 89423
PHONE: 775-782-9821

And

STARBUCKS CORPORATION
SITE NO. N0524
ATTN. TODD MCCULLOUGH
PO BOX 34442, S-TAX
SEATTLE, WA 98124

FILED
NO. 2018.005
2018 JAN -9 AM 9:34
DOUGLAS COUNTY
CLARY
TERRELL

WHEREAS, Douglas County, Nevada (hereafter "Douglas County") is a political subdivision of the State of Nevada; and

WHEREAS, Douglas County has entered into an agreement with the Nevada Governor's Office of Economic Development ("GOED"), as required pursuant to NRS 231.1571- NRS 231.1577, for the distribution of proceeds from the Nevada Catalyst Fund (individually or collectively referred to herein as "Catalyst Fund Proceeds") as outlined in NRS 231.1571 and NRS 231.1573, as the sponsoring municipality; and

WHEREAS, Starbucks Corporation's (hereafter "Starbucks") project was approved by the GOED, as required pursuant to NRS 231.1571- NRS 231.1577, as meeting the criteria necessary to receive a distribution of Catalyst Fund Proceeds as outlined in NRS 231.1571 and NRS 231.1573; and

WHEREAS, Starbucks represents that it is ready, willing and able to perform and render the services required to allow Douglas County as the sponsoring agency to distribute Catalyst Fund Proceeds to Starbucks pursuant to the requirements hereinafter described;

NOW, THEREFORE, in consideration of the agreements herein made, the parties mutually agree as follows:

I. EFFECTIVE DATE OF CONTRACT. This Agreement, is made as of the date of approval of the agreement by the Douglas County Board of Commissioners ("Effective Date") by and between the Douglas County and Starbucks.

II. APPROVED CATALYST FUND PROCEEDS

1. The GOED Board approved a Catalyst Fund grant to Douglas County for \$250,000 for allocation to Starbucks on July 17, 2017.
2. The Catalyst Fund Proceeds are to be used to offset workforce training costs in connection with expansion of Starbuck's distribution operations in Minden, Nevada as proposed by Starbucks and detailed in the "Douglas County Catalyst Fund Application for Starbucks Coffee Company" attached hereto as Exhibit A.

III. COVENANTS, WARRANTIES, AND REPRESENTATIONS

1. Starbucks covenants, warrants, and represents that it shall return Catalyst Fund Proceeds to Douglas County/GOED if it is determined that the Catalyst Fund Proceeds are not then currently being, or have not been, used in accordance with this Agreement;
2. Starbucks covenants, warrants, and represents that it agrees to and consents to the public disclosure of: (i) the company name of any entity receiving Catalyst Fund Proceeds; (ii) the applicable ownership interests for the entity receiving Catalyst Fund Proceeds, including but not limited to; equity interests, partnership interests, membership interests, shareholder interests, and any other ownership interests and by whom held; (iii) the award amount requested, and (iv) agreed-upon performance requirements, including, but not limited to: (a) number of primary jobs created, (b) anticipated wage levels to be paid, (c) capital investment, and (d) other project specific performance requirements to be determined under paragraph (5) of this Section;
3. Starbucks covenants, warrants, and represents that it agrees to disclose all details, not subject to legally recognized privilege or confidentiality restrictions, regarding: (i) proposed plans; (ii) projects and programs for which the Catalyst Fund grant or loan will be used; and (iii) any other information relevant to the proposed project for which Catalyst Fund Proceeds; and
4. Starbucks acknowledges that the Douglas County Manager or the Executive Director of GOED may, from time to time request additional information that he or she deems necessary for approval or denial of the Catalyst Fund Disbursement request, in his or her sole discretion.

IV. REPORTING REQUIREMENTS

1. The overall grant period for this award is defined as: August 20, 2017 through August 20, 2020, with Award Periods as defined below.
 - a. The award disbursement schedule is agreed upon as follows:

AWARD PERIOD	START DATE	AMOUNT	DISBURSEMENT SCHEDULE
Year 1	August 20, 2018	Up to \$85,000	\$2,500 per primary job multiplied times 34 jobs, up to \$85,000; disbursed following the close of Fiscal Year 1 for operations in Nevada. The average wage for jobs created must meet or exceed \$20.00 per hour. No funding will be disbursed if less than 15 primary jobs are created during Year 1 of this Agreement.
Year 2	August 20, 2019	Up to \$82,500	\$2,500 per primary job multiplied times 33 jobs, up to \$82,500; disbursed following the close of Fiscal Year 2 for operations in Nevada. The average wage for jobs created must meet or exceed \$20.00 per hour. No funding will be disbursed if less than 30 primary jobs are created during the cumulative period through Year 2 of this Agreement.
Year 3	August 20, 2020	Up to \$82,500	\$2,500 per primary job multiplied times 33 jobs, up to \$82,500; disbursed following the close of Fiscal Year 3 for operations in Nevada. The average wage for jobs created must meet or exceed \$20.00 per hour. No funding will be disbursed if less than 60 primary jobs are created during the cumulative period through Year 3 of this Agreement.

Definitions:

- (1) Periods represent 12-month increments beginning the date as negotiated between the agreeing parties. Catalyst Funds will be disbursed based upon actual job creation versus agreed-upon hiring objectives over a defined duration of time.
 - (2) "Incremental primary job" for a defined period denotes a new primary job created within that period over and above the number of jobs created in the prior period. Only jobs created for which payment has been made in a given year count as jobs created for the purposes of the following year (incremental) calculation.
 - (3) Disbursement will occur upon achievement of agreed-upon milestones following commencement of operations in Nevada, and pursuant to verification of total FTEs based in Nevada.
 - (4) To qualify as a job created, the job must be continuously in place for a minimum of 3 months prior to the end of the 12-month period, must be a full-time position, and must be eligible for healthcare benefits.
2. In order to obtain the Catalyst Fund Proceeds from Douglas County, Starbucks shall provide to Douglas County within thirty (30) after the close of the Award Period during which Catalyst Fund Proceeds were approved for disbursement, an initial report on the project that includes **ALL** of the following information:
- a. A description of each activity undertaken (i.e., the business and project receiving Catalyst Fund Proceeds) with the Catalyst Fund Proceeds;
 - b. The number of primary jobs created as a result of each specific grant or loan made pursuant to the specific application for which this Agreement was entered into and Catalyst Fund Proceeds were disbursed;
 - i. "Primary Job" as used herein shall have the definition set forth in NAC 360.474(3), defining "primary job" to mean "a position of employment offered by an applicant for a partial abatement, the compensation for which is obtained from revenue that is generated outside the economic region in which the business is located";
 - c. The average wage levels of the primary jobs created as a result of each specific grant or loan made pursuant to the specific application for which this Agreement was entered into and Catalyst Fund Proceeds were disbursed;
 - d. Confirmation the minimum primary job and average wage targets agreed to by Starbucks have been reached in a given period;
 - e. Confirmation each primary job is eligible for healthcare benefits;
 - f. The return-on-investment on the Catalyst Fund Proceeds provided through the grant or loan expressed through performance measures including, but not limited to: (i) the number of primary jobs created, (ii) the anticipated wage levels to be paid, and (iii) capital investment;
 - g. A statement of the benefit to the public from the distribution of Catalyst Fund Proceeds, including documentation that supports the benefit; and

- a. Starbucks fails to relocate or open the operations contemplated in this agreement in Nevada within six (6) months following execution of this Agreement with Douglas County; or
- b. Starbucks fails to create primary jobs within six (6) months following execution of this Agreement with Douglas County; or
- c. Starbucks fails to meet the minimum standard (50% of target) for creation of primary jobs during each of the first two award periods identified this Agreement, following execution of this Agreement with Douglas County; or
- d. Starbucks fails to remain in good legal standing, as determined by Douglas County, or the Executive Director or the Board of GOED; or
- e. Starbucks and/or its principals either admits to or is otherwise found guilty of any crime or wrong-doing or criminal malfeasance as determined by a court of law; or
- f. Any behavior associated with Starbucks, including its owners, associates, and/or employees, that is deemed a departure from the broader interests of the State of Nevada, as determined at the sole discretion of the Board of GOED.

VII. CONSTRUCTION OF AGREEMENT. This Agreement shall be construed and interpreted according to the laws of the State of Nevada. Any legal action regarding this contract shall be filed and maintained in the Nevada Ninth Judicial District Court. Prior to filing any legal action, the parties agree to participate in mediation, with a mediator to be mutually selected from a list provided by the Nevada Supreme Court of Settlement Judges. Both sides shall pay an equal share of the mediator's fees. Each party shall be responsible for their own attorney fees in mediation or any other legal action. There shall be no presumption for or against the drafter in interpreting or enforcing this contract.

VIII. COMPLIANCE WITH APPLICABLE LAWS. Starbucks shall fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of this contract.

IX. ASSIGNMENT. This Agreement and its obligations cannot be assigned or transferred by either party.

X. DOUGLAS COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Starbucks related to this Agreement shall be subject to inspection, examination and audit by the County, including, but not limited to, the County Manager, the District Attorney, and any authorized representative of any other Federal entity.

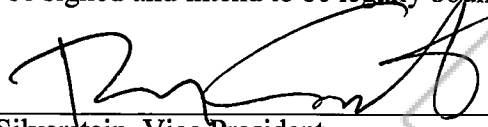
XI. PUBLIC RECORDS LAW. Starbucks expressly agrees that all documents ever submitted, filed, or deposited with Douglas County, unless designated as confidential by a specific statute of the State of Nevada, shall be treated as public records pursuant to NRS Ch. 239 and shall be available for inspection and copying by any person, as defined in NRS 239.030, or any governmental entity. Starbucks expressly and indefinitely waives all of its rights to bring, including but not limited to, by way of complaint, interpleaded, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or

employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

XII. NON APPROPRIATION. All payments under this contract are contingent upon the payment of funds from GOED to the County. In accordance with NRS § 354.626 and any other applicable provision of law, the financial obligations under this contract between the parties shall not exceed those monies appropriated and approved by GOED to the County. This contract shall terminate and the County's obligations under it shall be extinguished if the County fails to receive the funds from GOED.


XIII. MODIFICATION OF CONTRACT. This contract constitutes the entire contract between the parties and may only be modified by a written amendment signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement for Allocation of Catalyst Funds to be signed and intend to be legally bound thereby.



Ray Silverstein, Vice President
On behalf of and with authority to sign for
Starbucks Corporation

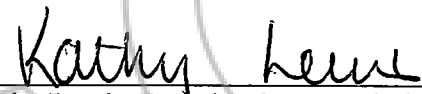
12-14-17
(date)



STEVE THALER, Chair
Douglas County Board of Commissioners

1/4/18
(date)

Attest:



Kathy Lewis, Douglas County Clerk

1/4/18
(date)

Exhibit A – Catalyst Fund Application



Douglas County

**Catalyst Fund
Application
for
Starbucks Coffee Company**



Governor's Office of Economic Development

Las Vegas 702-486-2700

Reno 775-687-9900

Toll Free 800-336-1600

STARBUCKS



BOARD OF COMMISSIONERS

1594 Esmeralda Avenue, Minden, Nevada 89423

Lawrence A. Werner
COUNTY MANAGER
775-782-9821

COMMISSIONERS:
Barry Penzel, CHAIRMAN
Steven Thaler, VICE-CHAIRMAN
Nancy McDermid
Larry Walsh
Dave Nelson

June 28, 2017

Steve Hill
Executive Director
Governor's Office of Economic Development
555 E Washington Ave #5400
Las Vegas, NV 89101

Re: Catalyst Fund Application for Starbucks Coffee Company

Dear Mr. Hill:

I am pleased to advise you that Douglas County supports the Catalyst Fund application from Starbucks Coffee Company. The application seeks funding for an expansion of the company's distribution operations in Minden, Nevada. In August of 2012, the Douglas County Board of Commissioners authorized the County Manager to review and approve Catalyst Fund applications that meet the Governor's Office of Economic Development's (GOED) established criteria. The County has reviewed the expected benefits of the project, which include the creation of 100 new jobs at an average hourly wage of \$21.16, and has determined the application is consistent with the criteria. Accordingly, I am approving the catalyst fund application submitted by Starbucks Coffee Company.

Sincerely,

Lawrence Werner
County Manager

cc: Andrew Haskins, Northern Nevada Development Authority
Lisa Granahan, Economic Vitality Manager

Mailing Address: P.O. Box 218, Minden, NV 89423

STARBUCKS

INTRODUCTION

LOCAL GOVERNMENT SUBMITTING – Douglas County

Authorized Representative

Name: Larry Werner

Title: County Manager

Organization: Douglas County

Street Address: 1594 Esmeralda Ave., Minden, NV 89423

Mailing Address: P.O. Box 218, Minden, NV 89423

Phone Number: 775-782-9821

Mobile Number: _____

Email Address: lwerner@douglasnv.us

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature *Larry Werner*
(Local Government Representative)
Acting County Manager

Date 7-12-17

Signature *[Signature]*
(RDA Representative)

Date 7-6-17

PROJECT CHARACTERISTICS (check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
| <input checked="" type="checkbox"/> Expand/Renovate Existing Facility | <input type="checkbox"/> Relocation from Out-of-State |
| <input checked="" type="checkbox"/> Purchase Machinery & Equipment | <input type="checkbox"/> Relocation within Nevada |

INDUSTRY CLUSTER

If applicable, identify the industry cluster within which this project falls.

- | | | |
|---|--|--|
| <input type="checkbox"/> Aerospace and Defense | <input type="checkbox"/> Health & Medical Services | <input type="checkbox"/> Mining & Materials |
| <input type="checkbox"/> Agriculture | <input checked="" type="checkbox"/> Logistics & Operations | <input type="checkbox"/> Renewable Energy |
| <input type="checkbox"/> Business IT Ecosystems | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input type="checkbox"/> Other | | |

A statement of project relevance to supply chains, sectors and clusters targeted by the State Plan for Economic Development -

Starbucks' Carson Valley Roasting and Distribution Center will be expanding the distribution side of their operations. This expansion fits with the State of Nevada's Plan for Economic Development to create jobs in Logistics and Operations.

GRANT/LOAN SUMMARY

Amount requested - \$250,000.00

AWARD PER FTE: \$2,500 per Incremental Primary Job x 100 jobs

DISBURSEMENT TERMS:

YEAR 1 – For new primary jobs which pay average wage (\$20.00):
No payment if less than 15 primary jobs are created
\$2,500 per job created up to 34; and

YEAR 2 – For new primary jobs which pay average wage (\$20.00):
No payment if less than 30 cumulative primary jobs are created
\$2,500 per job created up to 33 new jobs

YEAR 3 – For new primary jobs which pay average wage (\$20.00):
No payment if less than 60 cumulative primary jobs are created
\$2,500 per job created up to 33 new jobs

Governor's Office of Economic Development
Catalyst Fund Application from Governmental Entity

Maximum Payment per Year:

Year 1: \$85,000;

Year 2: \$82,500

Year 3: \$82,500

NEW TAX REVENUE ESTIMATES (10-Year Cumulative)

Local Taxes

Property	\$5,401,439	\$2,329,533	\$ 7,730,972
Sales	\$1,607,775	\$459,285	\$2,067,060
Lodging	\$0	\$36,162	\$36,162

State Taxes

Property	\$ 263,107	\$248,788	\$511,895
Sales	\$719,460	\$394,892	\$1,114,352
Modified Business	\$482,544	\$241,682	\$724,226
Lodging	\$0	\$1,043	\$1,043

Total \$8,474,325 \$3,711,385 \$12,185,710

COST-BENEFIT ASSESSMENT

Econ Impact/\$1 Abated	New Tax/\$1 Abated
\$484	\$30.18

** Does not include impacts related to the Catalyst Fund grant.

The proposed plans, projects, or programs to which the grant or loan will apply: -

The Carson Valley Roasting Center and Distribution Center opened in Minden, NV in 2003 and services all of California, Nevada, and Utah, as well as parts of Arizona and Asia Pacific. The 700,000 square foot expansion will add 99 jobs on-site, including managerial, supervisory, and coordination and distribution partnership roles. Only the distribution portion of the building will be enlarged; the roasting side of the operation will remain unchanged. The expanded portion will break ground in June 2017 and is expected to be up and running in Q3 2018.

The expected benefits of the grant or loan expressed as Jobs, Investments and wage levels: -

The company plans to invest \$48,500,000.00 on the construction of their expansion with an investment of another \$4,448,000.00 on equipment. The project is expected to create 99 new fulltime positions with an average wage of \$21.13 per hour.

A statement on the significance of this grant or loan to the company's described plans: -

The incentives offered by Nevada will assist the company to facilitate further growth. The addition of Starbucks jobs in Douglas County will provide employment diversity in a region where one-third of the workforce holds lower-paying tourism and leisure positions. This expansion focuses on growing the industrial sector as well as the number of working families in their region. Source: Starbucks Coffee Company

A statement of the estimated return-on-investment to the State in job creation, wage levels and capital investment for the term of the proposed grant/loan

The return on investment for the State of Nevada is significant with a planned investment of \$48,500,000.00 on the construction of their expanded facility and an additional investment of another \$4,448,000.00 on equipment. The project is expected to create 99 new fulltime positions with an average wage of \$21.13 per hour. It is estimated that the expansion will create \$8,474,325.00 in new direct State and Local tax revenues over a 10 year period.

A statement of the fiscal character of the company –

Starbucks Coffee Company is a global leader in retail coffee sales as well as smoothies, teas, baked goods, and other assorted items. The Company employs approximately 250,000 people worldwide and has operations in hundreds of countries worldwide. The Starbucks name and corporate offering are leading global brand. The Company is ranked #146 in the 2016 list of Fortune 500 companies, and has received a numerous amount of accolades.

_____ **Proposed Catalyst Fund grant (Exhibit "A").**

_____ **Local government support letter (Exhibit "B").**

_____ **Local government application from the business (Exhibit "C").**

Starbucks Coffee Company

Catalyst Fund Application to Douglas County



Governor's Office of Economic Development

Las Vegas 702-486-2700

Reno 775-687-9900

Toll Free 800-336-1600

Governor's Office of Economic Development
Catalyst Fund Application from Business Applicant

Applicant Information

BUSINESS SUBMITTING: Starbucks Coffee Company

Authorized Representative:

Name: Todd McCullough Title: Regional Distribution Director

Organization: Starbucks Coffee Company

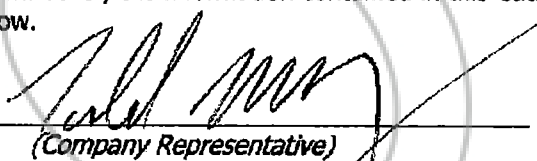
Street Address: 2525 Starbucks Way, Minden NV, 89423

Mailing Address: 2525 Starbucks Way, Minden NV, 89423

Phone Number: 775-267-6142 Mobile: _____

Email Address:
tmccullo@starbucks.com

To the best of my knowledge and belief, the information contained in this Catalyst Fund Application is true and correct, as evidenced by my signature below.

Signature  Date 7/5/17
(Company Representative)

BUSINESS SUMMARY

Describe the proposed new business or expansion in a brief summary including the applicant's business structure –

The Carson Valley Roasting Center and Distribution Center opened in Minden, NV in 2003 and services all of California, Nevada, and Utah, as well as parts of Arizona and Asia Pacific. The 700,000 square foot expansion will add 113 jobs on-site, including managerial, supervisory, and coordination and distribution partnership roles. Only the distribution portion of the building will be enlarged; the roasting side of the operation will remain unchanged. The expanded portion will break ground in June 2017 and is expected to be up and running in Q3 2018.

The addition of Starbucks jobs in Douglas County will provide employment diversity in a region where one third of the workforce holds lower-paying tourism and leisure positions. Douglas County officials are excited about this expansion, as they try to grow the industrial sector as well as the number of working families in their region. Starbucks was named Business of the Year for Douglas County in 2016, and continues to be a vital contributory member of the community, volunteering thousands of hours of community service and making sizable donations to local nonprofits

Attach a copy of a company presentation

Is this request for a Grant or a Loan - Grant

Amount requested - \$250,000.00

Total real property investment – \$48,500,000.00

Total personal property investment – 4,448,000.00

Projected start date – June 2017

Completion date – June 2018

Attach a schedule of jobs created with skills identified

Number of primary jobs that will be new to Nevada - 99

Average wage of new jobs - \$21.16

Number of existing jobs in Nevada (expansions) – 361

Average wage of existing jobs – \$21.13

Cost of employee healthcare benefits (annual premiums paid by employer) - \$4,170.00 Per Employee

Percentage paid by employer – 70%

Governor's Office of Economic Development
Catalyst Fund Application from Business Applicant

Healthcare Summary (check all that apply):

Medical Dental Vision Disability Life Insurance Dependent Coverage

Attach a schedule of employee benefits used in recruiting

Other Employee Benefits – See Attached

PROJECT CHARACTERISTICS (Check all that apply)

- | | |
|---|---|
| <input type="checkbox"/> Construct New Facility | <input type="checkbox"/> New Business / Start-up |
| <input checked="" type="checkbox"/> Expand/Renovate Existing Facility | <input type="checkbox"/> Relocation from Out-of-State |
| <input checked="" type="checkbox"/> Purchase Machinery & Equipment | <input type="checkbox"/> Relocation within Nevada |

INDUSTRY CLUSTER

- | | | |
|---|--|--|
| <input type="checkbox"/> Aerospace and Defense | <input type="checkbox"/> Health & Medical Services | <input type="checkbox"/> Mining & Materials |
| <input type="checkbox"/> Agriculture | <input checked="" type="checkbox"/> Logistics & Operations | <input type="checkbox"/> Renewable Energy |
| <input type="checkbox"/> Business IT Ecosystems | <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Tourism, Gaming & Entertainment |
| <input type="checkbox"/> Other | | |

BUSINESS CHARACTERISTICS

Please describe all the incentives that the business or project has applied for such as abatements, deferrals, training etc. including dollar amounts –

Starbucks has applied for the following State Tax Abatements:

Sales and Use Tax Abatement: \$226,848
Modified Business Tax Abatement: 104,002.00
Personal Property Tax Abatement: \$72,982.00

Please list all other sources of funding received or applied for by the business or project including local, state and federal loans, grants and matching programs – N/A

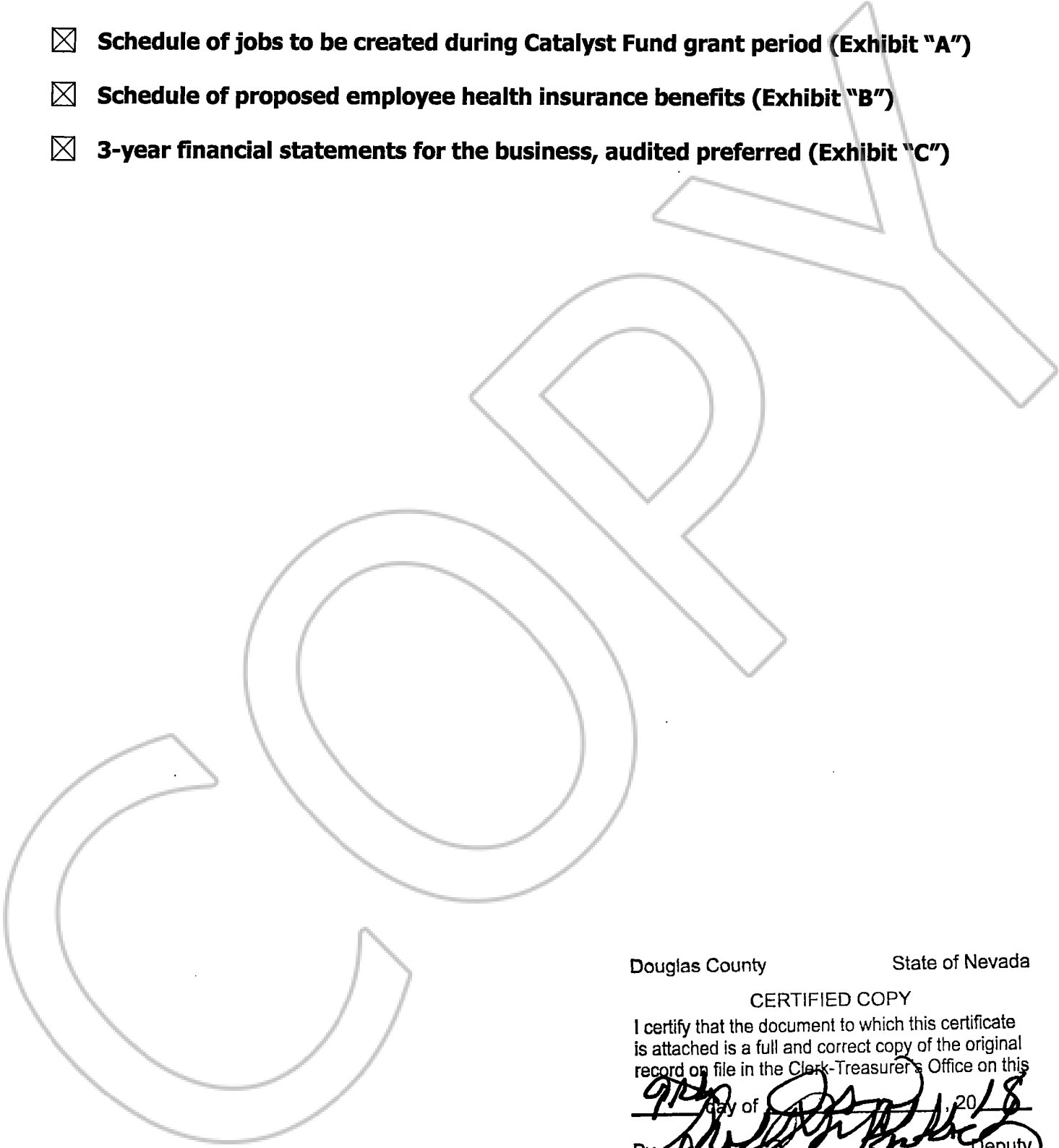
Please describe the long-term potential sustainability and viability of your business -

Starbucks Coffee Company is a global leader in retail coffee sales as well as smoothies, teas, baked goods, and other assorted items. The Company employs approximately 250,000 people worldwide and has operations in hundreds of countries worldwide. The Starbucks name and corporate offering are leading global brand. The Company is ranked #146 in the 2016 list of Fortune 500 companies, and has received a numerous amount of accolades.

Governor's Office of Economic Development
Catalyst Fund Application from Business Applicant

Please describe any significant negative environmental impacts of your business — N/A

- Schedule of jobs to be created during Catalyst Fund grant period (Exhibit "A")**
- Schedule of proposed employee health insurance benefits (Exhibit "B")**
- 3-year financial statements for the business, audited preferred (Exhibit "C")**



Douglas County

State of Nevada

CERTIFIED COPY

I certify that the document to which this certificate is attached is a full and correct copy of the original record on file in the Clerk-Treasurer's Office on this

9th day of August, 2018
By [Signature] Deputy