

# Austin, Texas



## Business Information Form

**Office of Economic Development**  
*"Investing in Austin's Future"*

Date Received:

\_09/06/13\_

## Instructions

The Business Information Form is intended for internal City of Austin economic development analysis and efforts will be made to restrict circulation of the information included on the form to appropriate members of the City of Austin Office of Economic Development. However, please note that the Texas Open Records Act provides that information collected, assembled, or maintained by the City under a law or ordinance or in connection with the transaction of official business is generally considered to be public information. However, the Texas Public Information Act does provide that information relating to economic development negotiations with a business prospect is withheld from disclosure unless and until an agreement is reached. If an agreement has been reached and is ready for City Council consideration, this document will be posted to the City of Austin's website for public disclosure.

### Questions or Comments

Please contact

Ben Ramirez

Acting Economic Development Manager

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## Company Information

Company Name: athenahealth, Inc.

Headquarters Location: City: Watertown State: MA

Contact Name: First Name: Dan Last Name: Haley

Contact Title: Vice President, Government and Regulatory Affairs

Mailing Address: 311 Arsenal Street

City: Watertown State: MA Zip: 02472

Phone: 617-402-1000 Fax: 617-402-1099 Mobile: \_\_\_\_\_ Other Phone: \_\_\_\_\_

Email Address: dhaley@athenahealth.com Website: <http://www.athenahealth.com/>

### Business Description:

Founded in 1997, athenahealth has become a leading provider of cloud-based health information technology (IT) services. athenahealth is a publicly-traded company headquartered in Watertown, Massachusetts, and also has operations in five other states (e.g., California, Georgia, Maine, New Jersey and Texas) and one other country (e.g., India).

Originally, athenahealth was a women's birthing center. athenahealth's founders realized that they were unable to keep up with the administrative burden of managing a medical practice, and since no satisfactory service-based IT solution existed, they built their own. athenahealth's services portfolio has since grown to include billing and practice management, electronic health records ("EHR") management, patient communications and care coordination, and related client support services.

athenahealth's billing and practice management service eases customers' administrative burdens by applying rules to medical billing claims to ensure accuracy while processing the claims and to initiate the appeal process for health insurance payers' denials. athenahealth's EHR service improves customers' productivity by providing clinical document processing that ties patient lab results to their charts, and the service makes it easier for customers to meet their pay-for-performance measures. The patient communications service enables patients and physicians to connect beyond the exam room through live and automated communication tools. athenahealth's care coordination service facilitates health information exchange between physicians in a customizable way that meets the specific needs of each physician, and it streamlines the process of obtaining prior authorizations for patient care from the health insurance payers. Lastly, in support of these industry-leading, IT-

based solution services are teams of personnel dedicated to providing ongoing client services, back office support, education, and research and development.

Today, athenahealth serves a client base of almost 40,000 healthcare professionals nationwide and is continually expanding its service offerings. In the first half of 2013, athenahealth has announced the acquisition and launch of two additional services: a population health management service that will enable physicians to administer and comply with their risk-based contracts with health insurance payers, and a mobile application platform that is continually updated to be a source of trusted, reliable clinical content to physicians.

athenahealth has a strong history of revenue growth of more than 30% per year since its founding and continues to have significant opportunities for future growth. The company's revenue for 2012 was \$422M and it currently employs 2,751 people throughout the world.

NAICS: 621339

SIC: 7389

Company Age: 16 years

Business Structure: ☐ Private ☒ Public Ticker Symbol: ATHN

Number of Austin Locations: 1; U.S. Locations (total): 8; Global Locations (total): 2

## Project Information

Are the company and the Project located in the Desired Development Zone: ☒ Yes ☐ No

Will the company comply with current City of Austin water quality regulations for the Project and during the term of an incentive agreement: ☒ Yes ☐ No

Please describe the Project:

The receipt of any state and local economic development incentives in Texas would be a material variable in the company's decision whether to expand in Austin. athenahealth anticipates needing more than 100,000 square feet of office space to accommodate the 607 new employees that will be needed to expand their R&D function. The ultimate location of this new facility has not yet been determined. athenahealth is faced with the decision to expand in either its existing locations of California, Massachusetts or Georgia (where each state has or is in the process of awarding economic development incentives), or in Texas. You should know that Georgia and Massachusetts have each committed \$9.5M of incentives to athenahealth in order to attract the company's expansions to their respective jurisdictions.

Currently, athenahealth has 25 employees located at its existing Austin facility at 11501 Domain Drive, Suite 105. Should athenahealth choose Texas as the site of its latest expansion, the

company's plan would be to consolidate in one location the existing 25 employees with the 607 new employees. At this potential facility, athenahealth would commit to a long-term lease (e.g., 10 years or greater). One location under consideration in Austin is the Seaholm Power Plant. If Seaholm Power Plant is chosen, athenahealth expects to spend at least \$13M to renovate the space to meet its needs. This investment will go toward construction and renovation costs such as tenant improvements, furniture, fixtures and equipment, which will all be necessary to support the company's planned increase in headcount for its R&D function.

As mentioned above, these new athenahealth employees will primarily be in the R&D area supporting athenahealth's expanding, cloud-based IT services platform. In many cases, the reason for the six-figure salaries of these new employees relates to the fact that these new R&D personnel will be software developers.

Is the company considering other Texas locations? ☒ Yes ☐ No

Is the company considering other U.S. locations? ☒ Yes ☐ No

Is the company considering other Global locations? ☒ Yes ☐ No

Market for Product of Activity: ☐ Local ☐ State ☒ U.S. ☐ Global

Location of Planned Investment:

Should Austin be selected as the site of a new facility, athenahealth is interested in a location like the Seaholm Power Plant. However, athenahealth is also considering several other locations, including space at The Domain and 501 Congress.

## Project Timeline

Expected Start Date: First half of 2014

Expected Complete Date: December 2023

## Project Capital Investment (U.S. Dollars)

Leasing Plans: ☒ Yes ☐ No

Land: N/A Total Acres: N/A

Building (by 2023): \$13.0M<sup>1</sup> Square Feet (by 2023): 110,000

<sup>1</sup> This investment will include construction costs related to planned tenant improvements and associated furniture, fixtures and equipment (FF&E) purchases.

## Investment Schedule

(Please provide a 10-year list of the following items.)

<u>Year</u>	<u>Land</u>	<u>Building</u>	<u>M&amp;E</u>	<u>FF&amp;E</u>	<u>Taxable Inventory</u>	<u>Labor</u>	<u>Total</u>
2014		\$1,725,000	\$54,000	\$1,080,000		\$1,150,000	\$3,955,000
2015		\$0	\$43,500	\$0			\$0
2016		\$300,000	\$108,000	\$1,080,000		\$200,000	\$1,580,000
2017		\$0	\$126,000	\$0			\$0
2018		\$300,000	\$147,000	\$1,080,000		\$200,000	\$1,580,000
2019		\$0	\$169,500	\$0			\$0
2020		\$375,000	\$192,000	\$1,350,000		\$250,000	\$1,975,000
2021		\$0	\$202,500	\$0			\$0
2022		\$450,000	\$231,000	\$1,620,000		\$300,000	\$2,370,000
2023		\$0	\$267,000	\$0			\$0
<b>TOTALS</b>	<u>N/A</u>	<u>\$3,150,000<sup>2</sup></u>	<u>\$1,540,500</u>	<u>\$6,210,000</u>	<u>N/A</u>	<u>\$2,100,000</u>	<u>\$13,000,500</u>

PROJECT TOTAL \$13,000,500

## Depreciation Schedule

<u>Item</u>	<u>Years</u>	<u>Percent per Year</u>	<u>Item</u>	<u>Years</u>	<u>Percent per Year</u>
Machinery	<u>3</u>	<u>33%</u>	Building	<u>N/A</u>	<u>N/A</u>
Equipment	<u>3</u>	<u>33%</u>	Other/FF&E	<u>3</u>	<u>33%</u>

<sup>2</sup> This investment will include construction costs associated with tenant improvements only.

## Job Categories and Wage Distributions

Job Category	Number of Jobs (employed by company)	Number of Jobs (vendor or contract)	Average Annual Wages	Percent to be Locally Hired
Executive	None	0	N/A	N/A
Manager	70	0	\$165,600	90%
Supervisor	47	0	\$141,000	90%
Staff	257	0	\$131,400	90%
Entry Level	233	0	\$109,500	90%

What is the expected average wage for the lowest paid 10% of local workers? \$82,000

## Job Creation Schedule

(Please provide a 10-year list of new jobs created and wage information – EXCLUDE BENEFITS)

<u>Year</u>	<u>Existing Jobs</u>	<u>New Jobs</u>	<u>Total Jobs</u>	<u>Average Annual Wage<sup>3</sup></u>	<u>Median Annual Wage<sup>3</sup></u>
2014	36	35	71	\$109K	\$103K
2015	71	29	100	\$112K	\$106K
2016	100	36	136	\$116K	\$109K
2017	136	55	191	\$119K	\$113K
2018	191	62	253	\$123K	\$116K
2019	253	58	311	\$127K	\$119K
2020	311	66	377	\$130K	\$123K
2021	377	77	454	\$134K	\$127K
2022	454	88	542	\$138K	\$130K
2023	542	101	643	\$142K	\$134K

<sup>3</sup> Assuming estimated 3% year-to-year growth.

## Service Requirements

### Electric<sup>4</sup>

Peak Monthly Demand in Kilowatts (KW): 0.0027 KW/square foot for an expected 110,000 square foot space.

Average Monthly Usage in Kilowatt Hours (kWh): 1.16 KWH/square foot

Average Monthly Load Factor: 0.95

Dual Feed Required: ☒ Yes ☐ No

Current Rate (cents per kWh): \$0.11

### Water

Average Monthly Usage: athenahealth estimates its average water usage and wastewater discharge to be as follows:

Square Footage	Water Usage (gal/month)	Waste Water Usage (gal/month)
20,000	34,282	11,998
40,000	68,564	23,997
60,000	102,847	35,996
85,000	145,714	51,000
115,000	197,142	69,000

Meter Size: Unknown

### Waste Water

Average Monthly Discharge: See above.

<sup>4</sup> All electricity usage estimations are based on athenahealth's electric usage in its Belfast, Maine location, which should have a similar electricity usage and rates to athenahealth's planned Austin, Texas location.



## Miscellaneous<sup>5</sup>

Building Size: 115,000 square feet Manufacturing Space: N/A

Office Space: 110,000 square feet Ceiling Heights: No specific ceiling height is required

Acres: N/A Docks/Type: N/A

Parking Requirements: athenahealth requires approximately 3 spots per 1,000 square feet of space

Rail: ☐ Yes ☒ No Interstate: ☐ Yes ☒ No

Commercial Airport: ☐ Yes ☒ No Fiber: ☒ Yes

Does the company intend to locate near transit developments or transportation hubs, such as bus stops, rail stations, or park & rides?

☒ Yes ☐ No

If the company answered no to the question above, would the company be interested in learning more about transit developments and transportation hubs in and around the City of Austin?

☐ Yes ☐ No

## Economic Impact of Project

### Will the Project Generate:

Property Tax:

Land: ☒ Yes<sup>6</sup> ☐ No

Building: ☒ Yes ☐ No

M&E: ☒ Yes ☐ No

Inventory: ☐ Yes ☒ No

Local Sales Tax: ☒ Yes ☐ No

State Sales Tax: ☒ Yes ☐ No

Total annual company purchases subject to local sales tax (*For example: office supply purchases, operating expenses, and taxable professional services*): \$750,000 annually.

<sup>5</sup> All miscellaneous estimations are based on the Seaholm Power Plant location. However, athenahealth is also considering several other locations in and around the Austin area, including space at The Domain and 501 Congress.

<sup>6</sup> Because athenahealth will be occupying leased space, it will generate land, building, and M&E taxes indirectly.

Indirect Local Revenue:

☒ Yes ☐ No

Describe:

Assuming athenahealth chooses the Seaholm Power Plant location, it is important to note that the Seaholm Power Plant facility is empty; thus current property tax revenue is minimal. After athenahealth leases this space and performs the planned construction and renovations, the value of this facility, as well as the associated property tax, would increase. Furthermore, this construction and renovation will serve as a catalyst for future development which would have a positive impact on future property tax revenue. Fast economic development in and around any location that athenahealth chooses will be greatly supported by its quickly growing workforce; there will be great need for retail, residential, and other commercial establishments to support a workforce of over 600 well-paid employees.

Other Local Revenue:

☒ Yes ☐ No

Several of athenahealth's service offerings are subject to state and local sales tax in Texas. Over the last 4 years, athenahealth has collected and remitted more than \$1.2M of sales tax to the state of Texas, including any local sales tax that were applicable. This potential expansion in Texas may serve to increase the public's awareness of athenahealth and this could increase the amount of sales tax revenue in Texas, both on the state and local level. It is difficult to quantify this effect on local sales tax revenue at this time.

Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in vendor contracting through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in vendor contracting:

☒ Yes ☐ No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

athenahealth's policy is to contract with the most qualified vendors for any particular service. Many of athenahealth's vendor contracts are with companies whose services are crucial to the financial and clinical success of athenahealth clients. Therefore, while racial and ethnic diversity are a consideration in vendor contracting, vendors are selected on many additional criteria. Additionally, athenahealth is currently working to revise its vendor contracting policies, and non-discrimination in vendor selection will be emphasized in these new policies.

## Employee Benefits and Labor Force Practices

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Health Insurance | <input checked="" type="checkbox"/> Life Insurance             |
| <input checked="" type="checkbox"/> Dental Insurance | <input type="checkbox"/> Prescription Drug Plan                |
| <input type="checkbox"/> Retirement Plan             | <input checked="" type="checkbox"/> Vision                     |
| <input checked="" type="checkbox"/> 401(k)           | <input checked="" type="checkbox"/> Flexible Spending Accounts |
| <input checked="" type="checkbox"/> Paid Leave       | <input checked="" type="checkbox"/> Tuition Reimbursements     |
| <input type="checkbox"/> Pension                     | <input checked="" type="checkbox"/> Disability                 |
| <input checked="" type="checkbox"/> Counseling       | <input checked="" type="checkbox"/> Other: (see below)         |

### Health and Welfare Benefits (continued)

Employee Stock Purchase Plan (Discounted)  
10 Paid Company Holidays  
Paid maternity leave

### Culture and Community Benefits<sup>7</sup>

Voluntary Clubs including Math Club, Tennis, Ultimate Frisbee, Skiing and Softball  
Gaming and Wii Competitions  
Hack-a-thons  
Bring your own device options  
Annual May Bike Challenge  
athenaGives: employee-directed corporate donations to enrich community health  
Service Offering Donation Opportunities  
Trek Across Maine bike ride  
Trivia and pub nights  
Healthy On-site Café  
Company-wide Happy Hours  
Bring your dog to work  
athenaween  
Talk Like a Pirate day  
Pajama day  
Free on-site chair massage  
Free weekly yoga

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<sup>7</sup> Activities vary by location.

### Other Benefits/Perks

Subsidized gym memberships  
Back-up child and elder care  
Employee referral bonus program  
Paid sabbatical leave after eight years of employment  
Mortgage discounts  
Rental car discounts  
Home and auto insurance discounts  
Discounts with various wireless service providers, local stores, and hotels

Please describe training provided to employees:

Every new athenahealth employee is required to attend a full week of new hire orientation training at the start of their employment. This training provides an overview of the company's business, an introduction to departments with which all employees are likely to interact (such as payroll, human resources, and IT support), and data privacy and other compliance training. Over 50% of new employees undergo a second week of extended orientation training for more intensive instruction on athenahealth's business. For employees whose roles require extensive subject matter expertise, orientation training may extend for several additional weeks.

athenahealth also has a Learning and Development department that focuses on providing ongoing, on-demand training to all employees. Examples of such ongoing training include:

- SQL, Excel, CPC, sales, and soft-skills training
- Monthly manager training
- Diversity and inclusion training
- athenaLEAP Leadership training for Associates

Does the company provide opportunities for employee advancement:

☒ Yes

☐ No

Describe:

History has shown that between 15 and 25% of athenahealth employees are promoted and another 5 to 10% transfer jobs each year. The majority of athenahealth's leadership team have been with the company for more than five years and started with the company in a non-leadership position. Open positions are posted on athenahealth's internal employee website, and there is a clearly described process for employees to apply for a new position within the company. The company also has an extremely transparent annual performance review process that encourages frank discussions between employees and managers about employee progress and potential promotion.

Are there funds for additional employee education (tuition match, etc.): ☒ Yes ☐ No

Describe:

In 2012, athenahealth introduced a tuition reimbursement program for employees pursuing master degrees in business administration at certain schools meeting certain conditions.

Does the company actively promote diversity in hiring and promotion: ☒ Yes ☐ No

Describe:

athenahealth's Equal Employment Opportunity Statement, which it posted on the "Careers" section of its company website, states: "athenahealth is committed to a policy of equal employment opportunity. We recruit and hire applicants without regard to race, color, religion, sex (including pregnancy), national origin, disability, age, sexual orientation, veteran status, genetic information, or any other factor prohibited by law." Every year athenahealth visits an increasing number of colleges and universities to recruit talent, and its focus on promoting diversity in that recruitment process also continues to grow. Additionally, athenahealth promotes in a number of diversity initiatives, such as internal women's and LGBT groups.

athenahealth's hiring policy has always been, first and foremost, to hire the best and brightest candidates. Through that policy, athenahealth has recruited an employee base whose demographics closely match the demographics of each office location. Overall, 25% of athenahealth's employees identify as being part of a minority population.

Does the company provide non-discrimination policies that include both sexual orientation and gender identity: ☒ Yes ☐ No

If so, please describe and attach the company policy(ies):

athenahealth's policies regarding non-discrimination are attached here as Exhibit A. All employees are required to complete training modules on these policies annually.

Does the company provide domestic partner benefits to their lesbian, gay, bisexual, and transgender employees and their families: ☒ Yes ☐ No

If so, please describe and attach the company policy(ies):

All of the benefits that are available to spouses of athenahealth employees are available to domestic partners.

Does the company have either of the following: (1) Historical data that demonstrates that the company has been successful in achieving diversity in hiring through its existing programs or policies, or (2) A policy or plan for establishing goals for diversity in hiring:

☒ Yes ☐ No

If so, please describe the historical data or policy/plan and attach the historical data or policy/plan:

The demographics of athenahealth's overall employee base closely match the demographics of each office location. Overall, 25% of athenahealth's employees identify as being part of a minority population. For example, 22% of the Massachusetts population identifies as being part of a minority population, compared to 19% of athenahealth's Massachusetts employee base. While the current number of employees in athenahealth's Austin, Texas location is not large enough to necessarily accurately reflect the Austin and/or Texas populations, athenahealth anticipates that the diversity it has achieved in its current hiring practices will extend to Texas.

## Cultural/Quality of Life Considerations

Does the company have a cultural outreach program:

☒ Yes ☐ No

Describe:

athenahealth is committed to enriching community health through Corporate Citizenship initiatives that connect its products, people and profits to social innovation in underserved areas. Whether providing its electronic health record to the medical clinics of developing countries, volunteer-run clinics in Texas, or mission-driven nursing schools in New England, athenahealth routinely dedicates a percentage of our service offering to communities in need. athenahealth also makes quarterly donations to charitable organizations in 100% employee-directed giving campaigns.

Does the company actively encourage volunteer/charitable efforts:

☒ Yes ☐ No

Describe:

See response immediately above.

## Green Building Initiatives

Does the Project meet Austin Energy Green Building Program 2-Star rating or USGBC LEED Certified rating:

☒ Yes ☐ No

Describe:

One of the locations athenahelath is considering is the Seaholm Power Plant. Per an eMail (dated 8/14/2013, enclosed as Exhibit B received from Fred Evins, Redevelopment Project Manager / Architect Economic Growth and Redevelopment Services Office, City of Austin, he stated:

“Under the City's Master Development Agreement for the Seaholm Power Plant Redevelopment project, the developer has Green Building Program obligations. The developer is required to achieve a 2-Star Green Building rating for the shell of the historic generator building, and 3-Star Green Building ratings for the shells of the new residential tower and retail/office building.”

## Signature

Please provide any additional thoughts or comments related to your project that could be pertinent to the evaluation process.

As previously stated, the receipt of state and local incentives from Texas will be a material variable in the company's decision on whether to expand in Texas or not. Based on the company's experiences with other jurisdictions that have or are in the process of awarding incentives, athenahealth wants to view the receipt of any incentives from state and local authorities in Texas as the beginning of a public/private partnership. Consider that if athenahealth chooses to expand in Texas, the company will be in a position to deliver to Austin more than 600 well-paid jobs in the health IT space over the next 10 years. Further, to support those new jobs, athenahealth will commit to a long-term lease with more than \$11M of additional capital investment at the leased location. For example, if the Seaholm Power Plant location is chosen by athenahealth, there are certain unique challenges to making that space an environment conducive to athenahealth's work in the Health IT space. For its part, athenahealth seeks evidence of support for its expansion by state and local governments in the form of economic development incentives so that it can move forward and view Austin (and ultimately Texas) as a partner in its growth initiative.

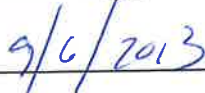
To the best of my knowledge, the information included in this City of Austin Business Information Form is true and correct, as evidenced by my signature below.

Signature:

  
Dan Haley

Vice President, Government and Regulatory Affairs  
athenahealth, Inc.

Date:

  
9/6/2013



## **Exhibit A**

Provided by athenahealth, Inc.



## G-111-DISCRIMINATION

### Guidance #11:

#### **We must not permit unlawful discrimination or harassment**

(Italicized terms are defined or explained – in electronic versions check definitions by clicking; in paper versions consult the “Definitions” section)

#### ❖ **To meet this standard, follow these rules:**

- Do not discriminate against anyone based on their *legally protected status* or harass them in connection with their employment at athena or in connection with any other activity at, by, or on behalf of athena
- Do not *sexually harass* anyone or inappropriately introduce any sexual activities or comments into the work environment at athena
- Without limiting the above rules, here are examples of what you **must do**
  - Act politely -- in a sensitive manner and with regard to others’ feelings
  - Treat others with respect regardless of whether or not they are in a *legally protected status*
  - Address issues with others constructively and allow them to speak for themselves and be heard
  - Confine decisions about employment and employment-related activities and benefits to factors that in fact relate to employment and those activities, not to appearance, status, behavior, beliefs, values or other aspects of individuals that are not rationally relevant
  - Seek to accommodate the needs and desires of others, consistent with our Integrity Standards and with the legitimate business goals, needs and limitations of athena
- Without limiting the foregoing, here are examples of what you **must not do**:
  - Do not make comments, gestures and actions that have a chance of being interpreted as offensive or intimidating by reasonable people, understanding that reasonable people may have values, expectations and sensitivities that are different from yours
  - Do not verbally or in writing abuse others, including but not limited to:
    - Making offensive comments or jokes, innuendos or threats
    - Communicating using *derogatory language, slurs, stereotypes or epithets*
  - Do not have, provide, communicate, download, view or store *offensive items* at work or using athena systems or property, whether or not they are exhibited to others
  - Do not engage in
    - Unwelcome flirtations, advances or propositions
    - Physical contact or touching that is unwanted or uninvited
    - *Indecent exposure*
  - Do not consider *legally protected status* or the characteristics that place an individual in such status as *factors in determination* for contracting, commercial terms, hiring, job advancement, job benefits or job termination
  - Do not engage in any *romantic involvement* between individuals at different cohort levels at athena that, if it were known by others, would *impact the workplace*
- Retaliation is not permitted against anyone for reporting or making a complaint for any violation of this Integrity Standard or this Guidance or for assisting in an investigation. Such retaliation is illegal, it will not be tolerated by athena and it will be considered by athena as a violation of our Integrity Standards.
- athena will maintain *special procedures for investigating and addressing complaints* of violation of this Integrity Standard and of this Guidance.

- **There are no exceptions to these rules**

Below, this Guidance contains definitions, explanations, and examples as well as information about administration of the rules in this Guidance. Please review these additional materials as and when you need to in order understand defined terms, to make sure that you understand and can follow the above rules and to find out about procedural aspect of this Guidance. If this Guidance is not clear to you or you have questions about it, please ask General Counsel, the Compliance Team, any HR representative or your manager for help.

❖ **Why this behavior is necessary**

Not only is it morally wrong to violate another person's rights, either in or out of the workplace, but also it is illegal and causes real harm to the person whose rights are violated, to athena and to the society around us.

It is important for us to treat co-workers with respect and maintain an environment where people are not hindered from doing their work. It is vital that each member of the athena team feel comfortable not only coming to work, but also working collaboratively with others at athena. Unlawful discrimination and harassment erodes the ability of athena personnel to work effectively and degrades our workplace.

In our dealings with individuals and organizations outside of athena, discrimination and harassment are also damaging to athena's interests. The prospect that our commercial relationships could be tainted by discriminatory motives or could be poisoned by harassment is not acceptable to athena.

Multiple state and Federal laws forbid forms of discrimination and harassment. Those who engage in unlawful discrimination or harassment can face civil and criminal penalties in addition to sanctions from athena itself.

athena fully supports the right of all persons to hold employment without suffering sexual harassment or unlawful discrimination or unlawful harassment or retaliation of any kind. It is athena's policy to maintain a work environment that is free of sexual harassment, unlawful discrimination, unlawful harassment and retaliation. Sexual harassment and unlawful discrimination, unlawful harassment and retaliation by or against officers, managers, supervisors, employees, clients, vendors or contractors will not be tolerated. athena will investigate complaints of violations of this Integrity Standard or this Guidance. athena personnel found to have violated this Integrity Standard or this Guidance will be subject to disciplinary action.

Each of us must remember that what is unwelcomed, threatening or derogatory to another person may not seem so to us and that our actions and words can be interpreted differently from the way we intend them. Therefore, it is paramount that athena personnel act unquestionably professional at work at all times.

Discrimination and harassment can take on forms that are as varied as the range of human behavior, and it is not possible for athena to anticipate and catalogue that entire range. This Guidance therefore does not purport to provide an all-inclusive list of behavior that is either good or bad in this respect. Instead this Guidance must be read and followed with the understanding and expectation that we must behave consistently with its principles in situations and in ways that are not explicitly mentioned in it.

❖ **Definitions and explanations:**

Derogatory language, slurs, stereotypes or epithets are descriptive and usually disparaging words or phrases used in place of the name of a person, persons or thing. Such language is used to detract from the character of the person who is being described and expresses a low opinion. These are commonly interpreted as insults or as ridicule.

Impact the workplace means that it could lead others to assume or interpret actions at work to be occurring as a result of personal relationships or favoritism or as a result of willingness to endure discrimination or harassment. This destroys morale and can create pressure on observers to themselves endure or participate in discriminatory or harassing behavior.

Indecent exposure is showing any part of the body which would normally be covered in the business setting.

Factors in determination are reasons or justifications that support or explain the action taken or decision made. These should only be factors related to quality and timeliness of athena work and/or to athena's legitimate business goals, needs and limitations -- all as consistent with the Integrity Standards.

Legally protected status refers to any status, condition or information having to do with an individual that is protected by state or Federal law. This includes race, color, age, gender (including pregnancy), sexual orientation, religion, national origin, ancestry, mental or physical disability, genetic information, veteran or military status or membership in uniformed service.

Offensive items means materials, objects or images of all types that are offensive. These include but are not limited to images, narratives (such as emails or stories), objects, cartoons, video, figurines, and calendars. These

may be offensive for any of a number of reasons, including that they are pornographic, otherwise sexually explicit, racist, threatening, or depicting or promoting abuse, insult or intimidation of others.

Romantic involvement with a co-worker means relations that go beyond professional and beyond simple friendship. Flirting and dating fall into this category, for example, as well as any voluntary activity of a sexual nature.

Special procedures for investigating and addressing complaints. athena hereby adopts the following procedures with respect to investigation and resolution of complaints that this Integrity Standard or this Guidance have been violated with respect to athena employees:

- athena employees who believe that they have been sexually harassed or discriminated against or harassed on the basis of a *legally protected status* are to follow the complaint procedures described herein.
- Informal Resolution:  
If an employee believes that he or she has been sexually harassed or subjected to unlawful discrimination or harassment, the most immediate goal is to stop the offensive conduct. Often, this can be accomplished by confronting whoever is doing the harassing or discriminatory conduct, telling them what is offensive and requesting that they stop. If this process does not work, or if the offender is the employee's supervisor, or for any other reasons such approach is not practical or acceptable for the employee, the employee is to report the conduct in accordance with the formal procedure described below.

Please note that an individual is not required to take this informal approach and may immediately follow the Formal Procedure, described below.

- Formal Procedure:  
As used below, Responding Party means a person believed to have engaged in conduct in violation of this Integrity Standard or this Guidance and Complaining Party means the employee believed to have been the target of, or subjected to, such conduct.

A Complaining Party, or individual who witnesses conduct in violation of this Integrity Standard or this Guidance is to contact one of the Contact Persons listed below directly, or contact his/her supervisor, to report that conduct. Supervisors must bring the matter to the attention of one of the Contact Persons as soon as practicable.

The following persons have been designated as Contact Persons and as Investigators of complaints of violations of this Integrity Standard or this Guidance: Jonathan Bush, CEO (x21113), Leslie Locke, SVP, People & Process (x21147), Margo Hendrickson, VP, Human Resources (x21105), Rob Cosinuke, Chief Marketing Officer (x21446), David Tassoni, SVP, Operations, any one of athena's HR Business Partners and any member of the Compliance Team.

Depending upon the nature of the claim, one or more of the Investigators (or their designees) may meet with witnesses whom they believe may assist in the factual investigation and/or review documents they believe may assist in the factual investigation.

If at any time during the investigation it appears that an informal resolution may be feasible and acceptable to the Complaining Party and the Responding Party, as well as to athena, one of the Investigators (or their designee) will discuss such with the Complaining Party and/or Responding Party.

Upon completion of the investigation, a determination will be made as to whether the conduct at issue violates this Integrity Standard or this Guidance, and the nature of the disciplinary action to be imposed.

The Complaining Party and the Responding Party will be informed of the outcome of the investigation.

Please note that while the general investigation process for claims raised under this Integrity Standard or this Guidance is set forth above, athena must retain the flexibility as to the investigation process in order

to achieve its goal of properly investigating and resolving any such claims.

### ***Disciplinary Action***

If the findings of the investigator indicate that a violation of this Integrity Standard or this Guidance has occurred, further action will be taken, including but not limited to a determination of the appropriate discipline, such as but not limited to reprimand, change in work assignment, suspension and termination.

### ***No Retaliation for Making a Complaint for a Violation of this Integrity Standard or this Guidance***

In line with athena's Integrity Standard that forbids retaliation, retaliation by an employee, supervisor, manager, or officer against an individual for making a complaint of sexual harassment or of other unlawful harassment or discrimination, or for assisting in the investigation of such a complaint is illegal and will not be tolerated. Any acts of retaliation will be subject to appropriate discipline, as described above.

### ***State and Federal Agencies***

There are state and federal agencies which administer laws protecting employees from sexual harassment and other unlawful harassment and unlawful discrimination and retaliation. Employees may seek further information from and/or file complaints with the agencies listed below. **Using the complaint process described herein does not prohibit an individual from filing a complaint with these agencies.** The agencies are:

The Massachusetts Commission Against Discrimination (MCAD) -- One Ashburton Place - Room 601 Boston, MA 02108 (617) 727-3990

Maine Human Rights Commission -- State House Station 51 Augusta, ME 04333-0051 (207) 624-6050

Georgia Commission on Equal Opportunity – Suite 1002-West Tower, 2 Martin Luther King, Jr. Drive, S.E., Atlanta GA 30334 (404) 656-1736 and (800) 473-OPEN

The United States Equal Employment Opportunity Commission (EEOC) -- Boston Area Office 475 Government Center JFK Federal Building, Room 475 Boston, MA 02203 (617) 565-3200 and (800) 669-4000

*Sexually harass* means to engage in or commit sexual harassment. Sexual harassment is a form of sex discrimination that is illegal under both federal and state law, including Title VII of the Civil Rights Act of 1964, Massachusetts General Laws c. 151B, §16; Maine Revised Statutes Annotated Title 26, c. 7, subchapter IV-B, §§ 806 and 807 and O.C.G.A 45-19-20 et seq (1996).

Generally, these laws provide that unwelcome sexual advances, requests for sexual favors and other physical or verbal conduct of a sexual nature constitute sexual harassment when:

- Submission to or rejection of such advances, requests or conduct is made either explicitly or implicitly a term or condition of an individual's employment or a basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably or substantially interfering with an individual's work performance or creating an intimidating, hostile, humiliating or sexually offensive work environment.

Sexual harassment does not refer to behavior or occasional compliments of a socially acceptable nature. It refers to behavior that is not welcome and occurs in a variety of situations, which share a common element: the inappropriate introduction of sexual activities or comments into the work environment.

Sexual harassment often involves relationships of unequal power. Such situations may contain elements of

coercion, such as when compliance with requests for sexual favors becomes a condition for granting privileges or favorable treatment on the job. However, sexual harassment may also involve relationships among persons of equal authority or power such as when repeated advances or demeaning verbal comments by a co-worker towards another co-worker have a harmful effect on a person's ability to perform his or her work. Sexual harassment can also involve employee behavior directed at non-employees or non-employee behavior directed at employees.

### ❖ **Questions and Answers**

You are encouraged to ask questions and seek any follow-up information that you may require with respect to the matters discussed in this Guidance. Please direct all questions to the General Counsel, the Compliance Officer or your manager.

When is this Guidance effective? This Guidance is effective as a company policy on the date indicated in the header and supersedes the following guidance, policy or procedure document: C-702 Harassment and Discrimination Policy. This Guidance will remain effective until and to the extent that it is replaced by one or more guidance, policy or procedure documents that state that it is superseded.

Who is responsible for this Guidance? The Vice President of Human Resources is responsible for this Guidance. (S)he will review this Guidance at least annually, to update it as necessary to keep it current with sound practice and legal requirements and to exercise oversight over its implementation and application. athena personnel should follow any direction given by the Vice President of Human Resources related to this Guidance, provided that it does not otherwise violate athena's Integrity Standards.

athena may at any time change this Guidance or adopt such other policies or procedures which it considers appropriate to carry out the purposes of its rules with respect to disclosure of material information. Notice of any such change will be delivered to you by regular or electronic mail or by company-wide announcement published on our intranet (or other delivery option used by athena) by the Vice President of Human Resources or his or her designee. You will be deemed to have read and agreed to any change unless you object in writing to the Vice President of Human Resources within two business days of the publication of a change.

### ❖ **Examples of Unlawful Discrimination and Harassment**

Please note: Whether conduct constitutes a violation of this Integrity Standard or this Guidance is dependent upon the totality of the facts and circumstances of each situation, including the severity or pervasiveness of the conduct. Therefore, the examples below are not, and cannot be, exhaustive. Instead, the listings are meant to provide some examples of conduct which could violate this Standard or Guidance, depending upon the circumstances. Also, even if the conduct does not constitute sexual harassment, unlawful harassment, discrimination or retaliation within the meaning of the law, it may nonetheless be inappropriate for the work environment and unacceptable to athena. Such inappropriate conduct may result in disciplinary action regardless of whether the conduct is unlawful.

- Promising a raise or promotion in exchange for sexual favors
- Demeaning a person based on *legally protected status*
- Joking that it's time for another employee to retire
- Calling someone out for having reduced physical or mental faculties
- Criticizing a female co-worker for not dressing "more feminine" or suggesting she is "manly"
- Mocking a male co-worker for not being a sports fan, or suggesting he is "feminine"
- Repeated offensive sexual flirtations, advances, or propositions which are offensive
- Verbal abuse or innuendo of a sexual nature which is continued or repeated
- Physical contact such as touching, hugging, patting or pinching which is uninvited and unwanted by the other person

- Offensive verbal comments of a sexual nature about an individual's body or sexual terms used to describe an individual
- An open display of sexually suggestive objects or pictures which are offensive
- Jokes or remarks of a sexual nature which are offensive
- Unwanted prolonged and apparent staring or leering at a person
- Obscene gestures or suggestive or insulting sounds made towards people who find them offensive
- Demand for sexual favors accompanied by an implied or overt threat concerning an individual's employment status or promises of preferential treatment
- Romantic involvement between supervisors and subordinates that is known to others in the work place and which impacts the work place in areas such as assignments, advancements and benefits; and
- Disseminating, accessing or downloading through athena equipment or systems any sexually explicit voice-mail, electronic mail, graphics, photographs, movies, videos, clips or written materials



## **Exhibit B**

Provided by athenahealth, Inc.

## Lucas, M. Richard

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**From:** Evins, Fred <Fred.Evins@austintexas.gov>  
**Sent:** Wednesday, August 14, 2013 8:49 AM  
**To:** Lucas, M. Richard  
**Subject:** RE: Email from austintexas.gov: Seaholm Power Plant

Mr. Lucas,

Under the City's Master Development Agreement for the Seaholm Power Plant Redevelopment project, the developer has Green Building Program obligations. The developer is required to achieve a 2-Star Green Building rating for the shell of the historic generator building, and 3-Star Green Building ratings for the shells of the new residential tower and retail/office building.

I hope this answers your question. If I have misinterpreted it, please let me know.

Fred Evins  
Redevelopment Project Manager / Architect Economic Growth and Redevelopment Services Office City of Austin  
512.974.7131  
[fred.evins@austintexas.gov](mailto:fred.evins@austintexas.gov)

-----Original Message-----

From: Richard Lucas [REDACTED]  
Sent: Tuesday, August 13, 2013 12:43 PM  
To: Evins, Fred; [REDACTED]  
Subject: Email from austintexas.gov: Seaholm Power Plant

This message is from Richard Lucas. [REDACTED]

Would an expansion project into the SPP meet Austin's Energy Green Building Program 2-Star rating or USGBC LEED?

Thank you.