

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Authorize the City Manager to Execute the Port of Seattle Economic Development Partnership Agreement
DEPARTMENT:	City Manager's Office
PRESENTED BY:	Dan Eernisse, Economic Development Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing <input type="checkbox"/> Discussion

PROBLEM/ISSUE STATEMENT:

Staff is requesting that Council authorize the City Manager to execute an agreement with the Port of Seattle (POS) for \$54,500 in economic development funding for the creation of a Request for Expressions of Interest (RFEI) for a media campus in Shoreline. This funding requires a fifty percent (50%) funding match by the City.

Exploring the development of a state-of-the-art media campus that makes Shoreline the regional center of the digital media production industry is part of Action Step 6 under Council's 2016-18 Goal #1. The POS funding will allow the City to create and solicit interest to public and private investment partners for the Shoreline Media Campus. The RFEI Prospectus will describe how an investor can purchase an individual studio that combines the effects of agglomeration and scale economies to offer a relatively low-cost of entry with the practical flexibility and resources of a shared campus.

RESOURCE/FINANCIAL IMPACT:

The \$54,500 of funding will be added to the Economic Development Program budget in 2016 through the Budget Amendment to be discussed by Council this evening. The funding will likely be carried over to 2017, and the project completed by June 2017. The POS grant requires a \$27,250 match from the City of Shoreline which will be fulfilled through existing 2016 and 2017 economic development program budget for staff, consultants, travel, and marketing that are targeted at this effort.

RECOMMENDATION

Staff recommends that the Council authorize the City Manager to execute an agreement with the Port of Seattle for \$54,500 to fund the creation of a Request for Expressions of Interest (RFEI) for a media campus in Shoreline.

Approved By: City Manager *DT* City Attorney *JA-T*

ATTACHMENTS

Attachment A – Port of Seattle Agreement

**ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT
BETWEEN
THE PORT OF SEATTLE AND THE CITY OF SHORELINE**

This Economic Development Partnership Agreement (the "Agreement") is made and entered into as of October ____, 2016, by and between the Port of Seattle (the "Port") and the City of Shoreline (the "City"), both municipal corporations of the State of Washington (each, a "Party" or, collectively, the "Parties").

RECITALS

WHEREAS, engaging in the promotion of economic development is a recognized Port purpose authorized under RCW 53.08.245; and

WHEREAS, RCW 35.21.703 similarly authorizes cities to engage in economic development programs; and

WHEREAS, RCW 53.08.240(2) permits the Port to contract with another municipality to perform such undertakings each is authorized to perform; and

WHEREAS, the Port Commission of the Port of Seattle established the Economic Development Partnership Program (the "Program"), to advance the Port's Century Agenda, promote a dramatic growth agenda, support the creation of middle class jobs and help address the lack of economic development funding for local projects; and

WHEREAS, grant funding across the region is very limited for cities that want to pursue economic development projects or initiatives, and cities in the State of Washington have very limited economic development tools; and

WHEREAS, the Program will provide 38 King County cities per capita funding to advance local economic development throughout the region, and requires a 50% local match by the cities that receive the grants; and

WHEREAS, the Program will help the Port advance regional economic vitality through focused partnerships with King County cities; and

WHEREAS, the Program will make grants to cities that pursue programs and projects that stimulate business development, job creation and community revitalization, such as small business development, industry retention and

expansion, and other economic development projects that support new investment and job creation;

NOW, THEREFORE, the Parties agree as follows:

1. Purpose. The purpose of this Agreement is to establish a contractual arrangement under which the Port will contribute Program funds to the City in the amount set forth on Section 2, solely for the purpose of assisting the City in carrying out the local initiative and deliverables described in Exhibit A, attached and incorporated hereto by this reference (the "Project"). This Agreement shall be interpreted in furtherance of this purpose.

2. Responsibilities of the Port. The Port shall contribute Fifty-Four Thousand Five Hundred and No/100 Dollars (\$54,500.00) (the "Grant Fund Amount") to assist the City in funding the Project. The Port shall disburse the Grant Fund Amount to the City on a monthly basis and no later than 30 days after receipt of an invoice detailing those Project deliverables completed in accordance with Exhibit A. Subject to the requirements of this Section and of Section 18 (where applicable), the Port shall make the final payment of the Grant Fund Amount to the City by no later than June 30, 2017, or upon the Port's receipt of the final report, whichever occurs later.

3. Responsibilities of the City.

3.1 The City shall contribute Twenty-Seven Thousand Two Hundred-Fifty and No/100 Dollars (\$27,250.00) towards the Project, an amount that is equivalent to at least fifty percent (50%) of the Grant Fund Amount (the "City Match").

3.2 The City may contract with local non-profits to complete the Project or elements of the Project; *provided*, that the Port shall not, under any circumstance, disburse the Grant Fund Amount to any of the City's contractors or subcontractors.

3.3 The City shall complete the Project deliverables set forth in Exhibit A by no later than May 31, 2017.

4. Term. This Agreement shall become effective as of the date first set forth above, and shall terminate on May 31, 2017, unless earlier terminated under another provision of this Agreement.

5. Termination for Convenience. Either party may terminate this Agreement at any time, for any reason, by giving the other party thirty (30)

days' written notice. In the event the Port terminates this Agreement and the City has completed any portion of the Project by the time it receives the Port's notice of termination, the Port shall pay the City a percentage of the Grant Fund Amount that is proportional to the City's completed portion of the Project.

6. Termination for Default. Except in the case of delay or failure resulting from circumstances beyond the control and without the fault or negligence of the City, the Port shall be entitled, by written or oral notice to the City, to terminate Agreement for breach of any of the terms and to have all other rights against the City by reason of the City's breach as provided by law.

7. Waiver. Failure at any time of either Party to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of either Party to enforce such provision at any subsequent time. No term or condition of this Agreement shall be held to be waived, modified or deleted except by a written amendment signed by the Parties

8. Partial Invalidity. If any provision of this Agreement is or becomes void or unenforceable by force or operation of law, all other provisions hereof shall remain valid and enforceable.

9. Indemnification and Hold Harmless Agreement. The City shall defend, indemnify, and hold harmless the Port, its Commissioners, officers, employees, and agents (hereafter, collectively, the "Port") from all liability, claims, damages, losses, and expenses (including, but not limited to attorneys' and consultants' fees and other expenses of litigation or arbitration) arising out of or related to the fulfillment of this Agreement; *provided*, however, if and to the extent that this Agreement is construed to be relative to the construction, alteration, repair, addition to, subtraction from, improvement to, or maintenance of, any building, highway, road, railroad, excavation, or other structure, project, development, or improvement attached to real estate, including moving or demolition in connection therewith, and therefore subject to Section 4.24.115 of the Revised Code of Washington, it is agreed that where such liability, claim, damage, loss or expense arises from the concurrent negligence of (i) the Port, and (ii) the City, its agents, or its employees, it is expressly agreed that the City's obligations of indemnity under this paragraph shall be effective only to the extent of the City's negligence. Such obligations shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any person or entity described in this paragraph. This paragraph shall not be construed so as to require the City to defend, indemnify, or hold harmless the Port from such claims, damages, losses or expenses caused by or resulting from the sole negligence of the Port.

In any and all claims against the Port, by any employee of the City, its agent, anyone directly or indirectly employed by either of them, or anyone for whose acts any of them may be liable, the indemnification obligation of this paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation benefits payable by or for the City, or other person under applicable industrial insurance laws (including, but not limited to Title 51 of the Revised Code of Washington), it being clearly agreed and understood by the Parties hereto that the City expressly waives any immunity the City might have had under such laws. By executing this Agreement, the City acknowledges that the foregoing waiver has been mutually negotiated by the parties.

The City shall pay all attorneys' fees and expenses incurred by the Port in establishing and enforcing the Port's right under this paragraph, whether or not suit was instituted.

10. Comply with All Laws. The Parties shall at all times comply with all federal, state and local laws, ordinances and regulations, including but not limited to all environmental laws, which in any manner apply to the performance of this Agreement.

11. Integration. This Agreement, together with the attached Exhibit A, constitutes the entire agreement between the Parties and unless modified in writing by an amendment executed by the Parties, shall be implemented only as described herein.

12. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Washington. Any action arising out of this Agreement shall be brought in King County.

13. No Employment Relationship Created. The Parties agree that nothing in this Agreement shall be construed to create an employment relationship between the City and the Port.

14. No Entity Created. The Parties agree that nothing in this Agreement shall be construed to create a joint entity between the City and the Port.

15. Notices. Notices to the Port shall be sent to the following address:

Port of Seattle
Economic Development Division
P. O. Box 1209
Seattle, WA 98121

Notices to the City shall be sent to the following address:

City of Shoreline
Economic Development Manager
17500 Midvale Ave N
Shoreline, WA 98133

16. Audits and Retention of Records. The City shall retain and make all books, records and documents (the "Records") relating to the performance of this Agreement open to inspection or audit by representatives of the Port or Washington State during the term of this Agreement and for a period of not less than six (6) years after termination of the Agreement; *provided*, that if any litigation, claim or audit arising out of, in connection with or related to this Agreement is initiated, the City shall retain such Records until the later of (a) resolution or completion of litigation, claim or audit; or (b) six (6) years after the termination of this Agreement.

17. Amendment. This Agreement may only be amended by written agreement of the Parties.

18. Dispute Resolution. The signatories below or their authorized delegates shall use good faith efforts to cooperatively resolve disputes that arise in connection with this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this agreement as of the date first set forth above.

PORT OF SEATTLE

CITY OF SHORELINE

By: Tim Jayne
Sr. Manager, Purchasing

By: Dan Eernisse
Economic Development Manager

Signature

Signature

Dated

Dated

EXHIBIT A
SCOPE OF WORK/SPECIFIC REQUIREMENTS

1. Scope of Work:
 - a. Shoreline Media Campus Project:
 - i. Request for Expressions of Interest (RFEI) Prospectus: Development of the content of the RFEI Prospectus by a) retaining a firm to provide design services for the facility; b) contract with an estimator to provide construction estimates; c) contract with a law firm to provide ownership association structure; and d) contract with a law firm to provide financial analysis. All elements of this portion of the Scope of Work to be complete by May 31, 2017.
 - ii. Create RFEI Prospectus: Creation of the RFEI Prospectus will involve a) contracting with a public relations firm to create a professional prospectus describing the opportunity; b) contracting with a web designer to create a web-based presentation describing the opportunity; and c) contract with translators and/or facilitators. All elements of this portion of the Scope of Work to be complete by March 2017.
 - iii. Presentation of RFEI Prospectus: Presentation of the RFEI Prospectus to key decision makers in person, online, or in printed form.
 - b. The City will submit a written report to the Port within 45 days of completion of the Scope of Work but no later than, May 31, 2017, a final report shall be submitted to the Port.
 - c. Port may request periodic project updates from the City.

2. Definition and restatement of how funds are to be used.

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
<i>Staffing: City Manager Office (15%) Economic Development (65%) Communications Team (5%) Administrative support and overhead (5%)</i>	\$0	\$22,000	\$22,000
<i>Consultants</i>	\$45,000	\$4,000	\$49,000
<i>Travel, meals and lodging for face-to-face meetings</i>	\$3,000	\$750	\$3,750
<i>Marketing – Printing, graphic and web design</i>	\$6,500	\$500	\$7,000
TOTAL FUNDS	\$54,500	\$27,250	\$91,750

Any funds obtained from the Port for economic development and tourism activities are to be used specifically for projects that create jobs, foster business growth, and support the Port’s business interests, advertising, promotion, marketing, or attendance at trade shows that have the potential to generate incremental visitor expenditures and/or increase visitors to the City of Shoreline and the surrounding area. Travel expenses will be paid as agreed upon in the budget for those line items.

2. Access and Process for obtaining funds.

The Port may authorize reimbursement of eligible expenses upon approval by the Port and documentation from the City providing information on expenses and required match. Port may require appropriate documentation to validate participation in the activity, advertising placement, or a specific project that will be initiated.

3. **Port Approval and Recognition:**

- a. All projects must utilize and identify the Port as a partner or sponsor. Prior to implementation, Port requires a review of the proposed placement of the Port logo on advertising, promotion materials, booth displays, online, digital or printed materials.
- b. Prior to specific advertising execution or implementation, the Port will review and approve the advertising placement and schedule.

4. **The Agreement and Final Report:**

TASK	DESCRIPTION	SCHEDULE
Task 1	Execute Agreement	No later than October 5, 2016
Task 2	Execution of Agreement by Port	No later than October 10, 2016
Task 3	Provide an Invoice for the total amount remaining due from the Port	No later than May 31 2017
Task 4	Final Report and Accounting: <ol style="list-style-type: none"> 1. Provide a copy of the RFEI Prospectus. 2. Provide a copy of the marketing information, presentation materials. 3. Provide a link(s) to websites which market or promote the RFEI Prospectus. 4. Provide a detailed accounting of the monies spent, including 50% matching funds. 	No later than May 31, 2017

5. **Miscellaneous:**

No Port funds can be used to underwrite general or capital expenses associated with an event or program already in progress.

End of Exhibit A - Scope of Work/Specific Requirements

DRAFT