

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Authorize the City Manager to Enter Into a Grant Agreement with the Port of Seattle for \$54,990 for Economic Development Projects
<b>DEPARTMENT:</b>	City Manager's Office
<b>PRESENTED BY:</b>	Dan Eernisse, Economic Development Manager
<b>ACTION:</b>	<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) that will supply \$54,990 in grant funding to the City for three economic development projects. These projects include:

- 1) SeaSound Media Campus (\$25,000). The Port of Seattle generously supported Shoreline's efforts to create a prospectus to attract investors to a media campus. The Port desires to continue supporting this ground-breaking effort to create a media content creation industry in the Pacific Northwest by providing funding for on-going consultant support.
- 2) Home-based Business Support (\$9,990). Grant funding will allow the City to hire a consultant to study and interview many home-based businesses in Shoreline to aid with the creation of tailored support services.
- 3) Ridgecrest ROW Improvement Plan (\$20,000). The Ridgecrest neighborhood's commercial core is strategically located between the two light rail station areas. Grant funding will initiate the first step in revitalizing the publically owned right-of-way in that core.

**RESOURCE/FINANCIAL IMPACT:**

The \$54,990 of funding will be added to the Economic Development Program budget in 2017 through the Budget Amendment process that will occur in November of this year. Unused funding will be carried over to 2018, and work will be completed by May 31, 2018. The POS grant requires a \$27,495 match from the City of Shoreline which will be fulfilled through existing 2017 and 2018 economic development program budget for staff and consultants.

**RECOMMENDATION**

Staff recommends that the Council authorize the City Manager to execute an agreement with the Port of Seattle for \$54,990 to fund the economic development projects.

**ATTACHMENTS:**

Attachment A – Port of Seattle Draft Agreement

Approved By:      City Manager **DT**      City Attorney **MK**



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

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This Economic Development Partnership Agreement (the "Agreement") is made and entered into as of October \_\_\_\_\_, 2017, by and between the Port of Seattle (the "Port") and the City of Shoreline ("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 Washington State has not had an economic development grant program for over 20 years; 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 pay the City Program funds in the amount set forth on Section 2 solely for the purpose of carrying out the local initiative 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 Nine Hundred Ninety and 00/100 Dollars (\$54,990.00) (the "Grant Funds") to assist the City in funding the Project. The Port shall disburse the Grant Funds to the City no later than thirty (30) days after receipt of a complete and correct 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 Funds to the City no later than June 1, 2018, or receipt of the final report, whichever occurs later.
3. Responsibilities of the City.
  - 3.1 The City shall contribute local funds equivalent to at least fifty percent (50%) of the Grant Funds towards the Project.
  - 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 Funds to any of the City's contractors or subcontractors.
  - 3.3 The City shall complete the Project by June 1, 2018.
4. Term. This Agreement shall become effective as of the date first set forth above, and shall terminate on July 30, 2018, 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 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 the percentage of the Grant Funds attributable 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 the Port to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice the right of the Port 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, alternation, 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 City 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 Parties shall use their best, 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: Debbie Tarry  
City Manager

Signature

Signature

Dated

Dated



**EXHIBIT A - PROJECT**

**1. Scopes of Work and Project Metrics:**

**Scope of Work - Project A: SeaSound Media Campus**

The City has developed a Prospectus to attract public and private investment partners for the SeaSound Media Campus (SMC). The City staff and team members instrumental in creating the Prospectus will engage in face-to-face meetings with potential investors in an effort to secure signed Letters of Intent that will allow the City to secure property and financing for SMC, to aid with lobbying efforts, and to craft the final design that best suits the partners’ needs in the development of a state-of-the-art campus for the media industry in the Pacific Northwest. The *SeaSound Media Campus* (SMC) will be designed for the local production of movies, television shows, commercials, and gaming content, and it will be flexible enough to provide a platform for new technology production to thrive. It will support large scale media creation, creation of original media content, virtual/augmented reality and provide media production infrastructure.

**Project Metrics - Project A:**

Metric(s) which will be used to measure the success of the project are:

- a. Letters of Intent from Investors that represent 50% of SMC.
- b. Percentage of leasable space.
- c. Number of meetings with potential investors.

The Port may request periodic project updates from the City.

**Scope of Work - Project B: Home-based Business Survey**

The City will conduct a surveys of licensed home-based businesses located in the City of Shoreline, consider their unique needs, and then design appropriate outreach and support services creating a home-based business and service program to encourage them to grow and thrive. The City will accomplish this by:

Goals:	Strategies:	Outcomes & Metrics	Deliverable
Learn about Shoreline home-based businesses	Develop basic facts about Shoreline home-based businesses and categorize them into eight groups	Outcome: Learn more basic facts about the majority of businesses in Shoreline  Metric: Produce a spreadsheet counting home-based businesses	Executive Summary





		categorized into eight groups	
	Survey sixteen home-based business owners, two each from eight categories	Outcome: Identification of interests and concerns of each category Metric: Completed surveys	Interview Guide
	Provide findings, implications, and recommendations	Outcome: Better inform local decision and policy makers of the needs of local businesses in order to design support services and tailor appropriate code Metric: Anticipated businesses retained or expanded through action taken on recommendations	Executive Summary
Create programming to serve home-based businesses	Design & launch a new Shoreline business E-newsletter for home-based businesses	Number of businesses reached	First issue of e-newsletter
	Annual Home-based Business event designed to highlight and encourage	Number of home-based businesses attending; comments received from event.	Event

**Project Metrics - Project B:**

Metric(s) which will be used to measure the success of the project are:

- a. Categorization of home-based businesses;
- b. Surveying 16 home-based businesses, two from each category;
- c. Number of businesses reached through e-newsletter; and
- d. Number of home based businesses which attend the annual home-based business event and the comments received.

The Port may request periodic project updates from the City.



**Scope of Work - Project C: Downtown Ridgecrest**

The City will with the assistance of an experienced urban planner consultant, design a preliminary plan to improve the city-owned right-of-way in Downtown Ridgecrest. The actual improvements will then be considered individually, prioritized, and ultimately funded through the City of Shoreline Capital Improvement Project process. The City will accomplish this by:

Goals:	Strategies:	Outcomes & Metrics	Deliverable
Gather reliable, broad, and key information	Site visits, meetings with city staff, interviews with stakeholders	Outcome: Begin to formulate a plan for an area strategic to creating a place for economic activity in neighborhood commercial center  Metric: Creation of a plan	Create workshop agenda and slide show
	Consolidate information graphically for internal planning and future use with developers and property owners	Metric: Develop Downtown Ridgecrest Right-of-way Base Map	ROW Base Map
Visioning Workshop	Facilitate community charrette	Outcome: Support of economic development/planning initiative at the neighborhood level  Metric: Attendance, follow-on participation	3 hour workshop
Create preliminary ROW improvement plan	Consultant creates plan based on input to date	Public works ROW improvement projects ready for CIP process	Design with sketches, 3-D images of preliminary Downtown Ridgecrest ROW improvements

**Project Metrics - Project C:**

Metric(s) which will be used to measure the success of the project are:

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Between the Port of Seattle and the City of Shoreline



- a. Downtown Ridgecrest Base Map
- b. Attendance at neighborhood meeting and comments received
- c. Preliminary ROW Improvement Plan

The Port may request periodic project updates from the City.

**2. Reporting and Final Report:**

The following is our anticipated timeline for completion of Projects A, B, and C:

Project A: SeaSound Media Campus

- January 31, 2018: Progress report provided with 2017 invoice
- June 30, 2018: Final report documenting:
  - Letters of Intent from Investors
  - Percentage of leasable space represented by LOIs
  - Number of meetings with potential investors.

Project B: Home-based Business Survey

- January 31, 2018: Progress report provided with 2017 invoice
- March 31, 2018: Final Report of Survey
  - Categorization of 16 home-based businesses in 8 categories
  - Findings and recommendations
- June 30, 2018: Final Report of Business Outreach Efforts
  - Number of businesses reached through e-newsletter
  - Number of home based businesses attending home-based business event and comments received.

Project C: Downtown Ridgecrest

- January 31, 2018: Progress report provided with 2017 invoice
- June 30, 2018: Final report documenting metrics:
  - Downtown Ridgecrest Base Map
  - Attendance at neighborhood meeting and comments received
  - Preliminary ROW Improvement Plan

The Port may request periodic project updates from the City.

The City will submit a written report to the Port within 45 days of completion of the Scope of Work for each project identified above but no later than, June 1, 2018, a final report shall be submitted to the Port.

**4. Definition and restatement of how funds are to be used.**

**Project A:**



Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Economic Development Staff	\$ 0.00	\$10,000.00	\$10,000.00
Consultants	\$25,000.00	\$ 3,000.00	\$28,000.00
Printing SMC Prospectus	\$ 0.00	\$ 1,000.00	\$ 1,000.00
<b>TOTAL</b>	<b>\$25,000.00</b>	<b>\$14,000.00</b>	<b>\$39,000.00</b>

## Project B:

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Economic Development Staff	\$ 0.00	\$1,000.00	\$ 1,000.00
Consultant	\$9,990.00	\$2,760.00	\$12,750.00
Event costs, newsletter set up	\$ 0.00	\$1,000.00	\$ 1,000.00
Event marketing	\$ 0.00	\$ 235.00	\$ 235.00
<b>TOTAL</b>	<b>\$9,990.00</b>	<b>\$4,995.00</b>	<b>\$14,985.00</b>

## Project C:

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Economic Development, Planning & Community Development, and Public Works Staff	\$ 0.00	\$9,500.00	\$ 9,500.00
Consultant	\$20,000.00		\$20,000.00
Printing, Workshop	\$ 0.00	\$ 500.00	\$ 500.00
<b>TOTAL</b>	<b>\$20,000.00</b>	<b>\$10,000.00</b>	<b>\$30,000.00</b>



## Cumulative Funding Projects A, B and C:

Category:	Port of Seattle Funds:	Matching Funds:	Total Funds:
Project A	\$25,000.00	\$14,000.00	\$39,000.00
Project B	\$ 9,990.00	\$ 4,995.00	\$14,985.00
Project C	\$20,000.00	\$10,000.00	\$30,000.00
<b>TOTAL FUNDS PROJECTS A, B AND C</b>	<b>\$54,990.00</b>	<b>\$28,995.00</b>	<b>\$83,985.00</b>

Any funds obtained from the Port for the Economic Development Partnership Program are to be used specifically for projects that create jobs, foster business growth, and support the Port's business interests.

5. 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.

6. The Agreement and Final Report:

TASK	DESCRIPTION	SCHEDULE
Task 1	Execute Contract by City	No later than October 29, 2017
Task 2	Execution of Contract by Port	No later than
Task 3	Final Report and Accounting: <ol style="list-style-type: none"> <li>1. Provide a detailed report on the results of the project as outlined in the Scope of Work</li> <li>2. Provide a detailed report on the Project Metrics as outlined above.</li> <li>3. Provide copies of all printed promotional materials.</li> <li>4. Provide links to any softcopy materials.</li> </ol>	No later than June 30, 2018

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	5. Provide a detailed accounting of the monies spent, including City's 50% matching funds.	
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7. Miscellaneous:

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