



**ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT
BETWEEN
THE PORT OF SEATTLE AND CITY OF AUBURN
S-00319760**

This Economic Development Partnership Agreement (the "Agreement") is made by and between the Port of Seattle (the "Port") and the City of Auburn ("Agency"), 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 Agency 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 Sixty-five Thousand and 00/100 Dollars (\$65,000.00) (the "Grant Funds") to assist the Agency in funding the Project. The Port shall disburse the Grant Funds to the Agency 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 Agency no later than November 1, 2019, or receipt of the final report, whichever occurs later.
3. Responsibilities of the Agency.
 - 3.1 The Agency shall contribute local funds equivalent to at least fifty percent (50%) of the Grant Funds towards the Project.
 - 3.2 The Agency 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 Agency's contractors or subcontractors.
 - 3.3 The Agency shall complete the Project by November 1, 2019.
4. Term. This Agreement shall become effective as of the date the Port executes this Agreement and shall terminate on November 1, 2019, unless earlier terminated under another provision of this Agreement.
5. Termination for Convenience. The Port may terminate this Agreement at any time for any reason, by giving the Agency thirty (30) days' written notice. In the event the Agency has completed any portion of the Project by the time it receives the Port's notice of termination, the Port shall pay the Agency the percentage of the Grant Funds attributable to the Agency'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 Agency, the Port shall be entitled, by written or oral notice to the Agency, to terminate Agreement for breach of any of the terms and to have all other rights against the Agency by reason of the Agency'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 Agency 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 Agency, its agents, or its employees, it is expressly agreed that the Agency's obligations of indemnity under this paragraph shall be effective only to the extent of the Agency'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 Agency 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 Agency, 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 Agency, 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 Agency expressly waives any immunity the Agency might have had under such laws. By executing this Agreement, the Agency acknowledges that the foregoing waiver has been mutually negotiated by the parties.

The Agency 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 Agency 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 Agency 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 Agency 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 98111

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

City of Auburn
Douglas Lein
25 W Main
Auburn, WA 98001

16. Audits and Retention of Records. The Agency in 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 Agency 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

By: Paul Reed
Senior Manager, Purchasing

Signature

Dated

CITY OF AUBURN

By: Nancy Backus
Mayor, City of Auburn

Signature

Dated

EXHIBIT A - PROJECT

1. Project Description:

The City of Auburn, through this round of Port partnership funding, plans to continue to build upon projects from previous years. The majority of the partnership funding will again go to the operations, support and programing of Auburn's Small Business Incubator. The City will again, engage with other Community stakeholders, most notably the Green River College's Small Business Development Center, for instruction and one-on-one counseling services. Marketing of the Incubator promoting the benefits and value proposition of being a member of the Incubator will also continue to be a focus, however, a more targeted approach aimed towards already established in-home businesses will be used. The desired result to this approach will be a greater number of present (both mentally and physically) members, which in-turn will result in faster job creation and revenue generating "graduates" of the incubator program, ultimately producing results promised in round one.

The City will also continue to build up the Buy Local Auburn project seeded by previous partnership funding rounds. The City will continue to build upon the user experience of the website in a variety of ways, while also building capabilities into the back-end of the system that will provide robust, yet specific data on the individual businesses. Finally, Auburn plans to utilize a small portion of the partnership funding to secure booth space at industry specific conventions and expos. Targeted industries will be those that help propel not only the Port of Seattle's Century Agenda, but also Auburn's Initiative of creating more family-wage jobs. Recruitment of businesses in the manufacturing and other skilled trades will achieve both the Port and City's initiative and build upon an existing industry cluster fostered by a rich talent base, proximity to a large cluster of customers and an overall business friendly environment.

2. Project Scope of Work:

Outline project components, goal, desired outcomes and timelines using the table below (attach additional information if necessary):

| Project or component: | Project goal(s): | Outcome(s) and final deliverable(s): | Estimated Completion: | Metrics or measures of success: |
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| Business Incubator growth, operations & support. | <ul style="list-style-type: none"> •Continued programing and operation of the existing Business Incubator. •Increase the total Incubator member count (businesses) to 20 memberships by focusing in on existing, semi-established businesses in the startup stage who are growth minded and possess growth potential. | <ul style="list-style-type: none"> •Create and direct a digital marketing campaign specifically targeting existing home-based businesses highlighting the features and benefits of being a member of Auburn's Small Business Incubator. •Create print and other marketing pieces that highlight the features and benefits of belonging to the Incubator. (brochures, posters, etc.) • Establish relationships with WeWork and other co-working programs, College entrepreneurship programs and research labs. <p>Modify the Incubator membership agreement requiring incoming businesses/member meet with Green River College SBDC business advisors at minimum on a quarterly basis.</p> | •10/31/2019 | <ul style="list-style-type: none"> •An increase in the total number of members (businesses) slightly changing the demographic to more actively engaged members. •Higher utilization and activation of the space. •Better synergies and collaboration among all Incubator members. •Faster incubation periods, higher volume of tangible results (graduates, jobs created, revenues earned) |
| •Business retention, expansion & growth | •Cultivate business to business activities in Auburn by showcasing available resources, products, and | •Build upon and continue to improve upon Auburn's ability to capture and track Auburn business data, increase awareness and demonstrate the | •10/31/2019 | <ul style="list-style-type: none"> •Capital flow within the City, increased number of goods sold and increased sales tax generation. •Greater utilization of the buy-local |

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| | <p>services within Auburn.resources, products, and services within Auburn.</p> <ul style="list-style-type: none"> •Foster buy- local synergy among business owners, and citizens to escalate activities that increase jobs and tax base. | <p>value proposition of Auburn's buy-local site to Auburn residences and businesses.</p> <ul style="list-style-type: none"> •Further promote the value of the buy-local sites ease of business license renewal, ability to customer target and its supply chain searching capabilities; while at the same time encouraging increased utilization of the site from the public by continuing to promote buy-local. | <p>site from both businesses and residents.</p> <p>Reduction of capital leakage within Auburn's retail trade area.</p> <ul style="list-style-type: none"> •Clearly defined and accurate data on existing businesses and industry clusters. <p>Movement (expansion and contraction) of businesses and industry clusters, employment data and spatial footprint.</p> <p>Market voids will become more quickly and easily identifiable.</p> |
| <ul style="list-style-type: none"> •Business Attraction & Support | <ul style="list-style-type: none"> •Support the Port of Seattle's vision of creating 100,000 new jobs through economic growth and 300,000 Port-related jobs while simultaneously supporting the City of Auburn's initiative to grow family- wage jobs within Auburn by: 1)Increased focus on support and retention of Auburn's existing businesses and | <ul style="list-style-type: none"> •Offer business assistance workshops, forums and classes of all skill levels (beginner, intermediate & advanced) to established local businesses, start-ups and community members interested in entrepreneurship. •Identify market voids within the targeted industries of aerospace, composites, additive and general manufacturing along with other skilled trades. •Create a presence | <ul style="list-style-type: none"> •10/31/2019 •Strengthened ties between local businesses and the City reducing the number of businesses relocating out of Auburn. •Partnering among existing businesses or existing businesses and start-ups, collaboration, mentorship. •Targeted meetings with companies that would not only fulfill Port and City agendas but also voids in the |

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| vitality, diversity, growth and sustainability of the Auburn economy 2)Business attraction within targeted industry clusters that will take advantage of Auburn's strength of workforce, knowledge and location while at the same time fulfilling voids in the local market. | at industry tradeshow and exposes of those identified industry voids by becoming an exhibitor displaying Auburn's value proposition (available workforce, location to buyers, knowledge, business environment, Innovation Partnership zone, supply chain database (Buy Local Auburn)) for company relocation, or satellite office. | existing supply chain. |
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3. Connection to Port of Seattle Interests:

By offering services to promote and support entrepreneurship through the Incubator, support growth of existing businesses through training classes as well as a searchable database and recruitment of new businesses from out of state, provides and encourages the opportunity to create new jobs. The creation 400,000 Port and Port-related jobs in our region is a stated vision of the Port of Seattle. Further, creating living-wage jobs through organic growth or recruitment efforts will bring disposable income and an increased tax base. More disposable income means the purchase of more goods and other services. This will in-turn have a positive effect on the amount of goods coming through the Ports sea and airports. It also means a higher level of recreational activity flowing through the sea and airports, both of which fulfil strategic objectives of the Ports Century Agenda.

4. Project Budget:

Identify each project budget category, total funds (including the monetary value of in-kind resources), Port of Seattle funds and City monetary and in-kind matching funds. Include the total funds from each column in the second to last row. Include the percentage contributions to the Port of Seattle's contribution in the last row.

| Category: | Port of Seattle Funds: | City Monetary Matching Funds: | City In-kind Matching Funds: | Total Funds (Including In-Kind): |
|---|------------------------|-------------------------------|------------------------------|----------------------------------|
| Category 1: Business Incubator Operations/Support Services | \$39,200 | \$19,600 | | \$58,800 |
| Category 2: | \$8,200 | \$8,200 | | \$12,300 |

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|---|----------|----------|----------|
| Business Incubator Marketing | | | |
| Category 3: Buy Local Auburn Maintenance/Support/Marketing | \$16,000 | \$16,000 | \$16,000 |
| Category 4: Business Attraction | \$1,600 | \$800 | \$2,400 |
| Total Funds: | \$65,000 | \$32,500 | \$97,500 |
| Percentage contribution to Port Funds*: | 100% | 50% | |

*City monetary and in-kind matching funds must add up to at least 50% of the Port of Seattle's total contribution.

5. Collaboration with partners:

Auburn will once again partner with the Small Business Development Center to provide one-on-one business consulting and instructional classes. The classes will cover a variety of business topics including: How to Start a Business in Auburn, Writing a Business Plan, Business Marketing, Business Financing and other subjects directed at varied levels of businesses; from start-ups to long established businesses. The Chamber of Commerce will partner with the City for continued promotion of business-to-business networking as well as the instructional classes, forums and workshops.

6. Use of consultants or contractors:

Resident Incubator member; Fruition Planning and Management will be contracted to put together some of the non-digital marketing pieces specific to the Incubator as well as developing and producing of a Member Handbook which will outline the Incubator's policies, procedures and support resources. The handbook will be delivered to all existing Incubator members and given to new members as they become part of the Incubator. Local Auburn companies will also be utilized for the Incubator's Janitorial and IT support. Auburn intends to contract with Praece Consulting of Auburn for hosting, integration and further build-out of Auburn's supply chain database: Buy Local Auburn and contracted services will be rendered in conjunction with in-house resources for the creation and implementation of all digital and non-digital marketing strategies and materials.