



**ECONOMIC DEVELOPMENT PARTNERSHIP AGREEMENT**

**BETWEEN**

**THE PORT OF SEATTLE AND CITY OF MERCER ISLAND**

**S-00321062**

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This Economic Development Partnership Agreement (the "Agreement") is made by and between the Port of Seattle (the "Port") and the City of Mercer Island ("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 Fifty-One Thousand, Five Hundred Eighty and 00/100 Dollars (\$51,580.00) (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(s) detailing those Project deliverables completed in accordance with Exhibit A.
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 no later than December 31, 2023
  - 3.4 The Agency shall provide a complete and correct invoice(s) detailing those Project deliverables completed in accordance with Exhibit A no later than December 31, 2023
4. Term. This Agreement shall become effective as of the date the Port executes this Agreement and shall terminate on December 31, 2023, 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:**

Port of Seattle  
Economic Development Division  
P. O. Box 1209  
Seattle, WA 98111

**Notices to the Agency shall be sent to:**

City of Mercer Island  
9611 SE 36<sup>th</sup> St  
Mercer Island WA 98104

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: Colby Wattling  
Buyer III

**CITY OF MERCER ISLAND**

By:

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Dated*

\_\_\_\_\_  
*Dated*

## EXHIBIT A

1. **Project Description:** Summarize the project(s) you plan to implement and explain how project(s) address COVID-19 economic issues in your city. Include a brief description of the project goal(s) and summary of COVID-19 economic impacts being addressed.

In 2022, the City of Mercer Island is writing its first-ever economic development element for the citywide comprehensive plan. City Council support for this effort has largely been driven by the impacts of the pandemic on the local economy. The onset of the pandemic in 2020 quickly revealed the gap in the City’s communications with and direct support of Island businesses, and, as we continue to support economic recovery and attempt to emerge from the pandemic, the City is dedicated to strengthening and enhancing its local business ecosystem. We also understand that consumers’ preferences and habits have changed during the pandemic, and we aim to write an economic development plan and implementation strategy that meet the needs of Island businesses and Island residents as they emerge from the pandemic and look ahead.

We propose using Port of Seattle grant funds to support projects in the following categories to continue assisting businesses with recovering from the pandemic and to start preparing for the future of doing business on Mercer Island.

- **Buy Local/Placemaking Support:** In 2022 and 2023, we will again dedicate funds to promote awareness of local businesses and continue strengthening connections between residents and their local businesses. Activities will include running social media campaigns promoting business categories most impacted by the pandemic (retail, restaurants, personal services); supporting businesses’ ability to participate in community events such as Summer Celebration! (returning after a 4-year hiatus), Mostly Music in the Park, Town Center Trick-or-Treat, and Illuminate MI; and engaging with the business community to better understand their buy local/placemaking needs to assist with implementing and/or planning for future campaigns and events. Islanders crave community connection after two years of pandemic isolation, and we will work closely with businesses to ensure that they are present as residents’ “reenter” the public realm.

**Technical Assistance:** In 2022, we will conduct an economic profile of Mercer Island to better understand how the business ecosystem has fared during the pandemic and how we can grow a stronger and more sustainable environment for doing business as we continue to recover. This analysis will not only inform the development of the economic development element for the City’s comprehensive plan but also be shared with the local business community to implement immediate-term actions to better assist Island business recovery throughout 2022 and 2023 and inform a long-term implementation strategy post 2023.

2. **Project Scope of Work:** Outline project title or components, economic impacts of COVID-19 the project is addressing, project goals, project deliverables, and metrics (measurable outcomes) using the table below. View Appendix B for sample metrics, measures of success, and data sources. The table is used in the agreement between the Port of Seattle and each city.

Project Category: Buy Local Support / Placemaking				
Project Goal(s)	Timeline	Actions	Project metrics	Project outcomes/deliverables
<b>Continue strengthening connections between Island</b>	5- 2022 to 11-2023	<ul style="list-style-type: none"> <li>• Partner with local businesses to coordinate buy local and other</li> </ul>	<ul style="list-style-type: none"> <li>• Number of community events with business participation</li> </ul>	<p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Local businesses feel more engaged in community events and</li> </ul>

<b>residents and their local businesses</b>		<p>activities in connection with planned community events</p> <ul style="list-style-type: none"> <li>• Boost awareness of business activities, grand openings, and events through social media, print, digital, and other marketing activities</li> </ul>	<ul style="list-style-type: none"> <li>• Number of businesses who participate in community events</li> <li>• Number of business partnerships/ collaborations formed</li> <li>• Number of patrons who are aware of and visit business activities during community events</li> <li>• Digital marketing metrics, including social media engagement, impressions, etc.</li> </ul>	<p>projects.</p> <ul style="list-style-type: none"> <li>• Residents feel more connected to their Island businesses.</li> <li>• Local businesses view each other as partners and collaborators and continue coordinating ways to bring events and activities to the community.</li> <li>• Business districts feel active, vibrant, and joyous.</li> <li>• The City and businesses better understand their roles in fostering a vibrant and healthy economy.</li> </ul> <p><b>Deliverables</b></p> <ul style="list-style-type: none"> <li>• Business activities coordinated for at least three community events annually</li> <li>• Promotional materials (social media posts, print and digital ads, environmental collateral)</li> <li>• List of business participants in various community events</li> <li>• List of businesses who use marketing support</li> </ul>
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<b>Project Category: Custom Response – Technical Assistance and Implementation</b>				
<b>Project Goal(s)</b>	<b>Timeline:</b>	<b>Actions</b>	<b>Project metrics</b>	<b>Project outcomes/deliverables</b>
<b>Understand how the pandemic has impacted local businesses in relation to the rest of the region</b>	6-2022 to 12-2022	<ul style="list-style-type: none"> <li>• Contract with a qualified professional firm to conduct an Economic Analysis of Mercer Island, including a SWOT</li> </ul>	<ul style="list-style-type: none"> <li>• Report findings and next steps based on research</li> <li>• Number of stakeholder presentations coordinated in</li> </ul>	<p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• The City and local businesses have a better understanding of where the economy stands as we continue to emerge from the pandemic.</li> <li>• Businesses become</li> </ul>

		<p>analysis, regional comparison, and other elements to understand how the Island has fared in the region</p> <ul style="list-style-type: none"> <li>• Partner with the Chamber of Commerce and other community organizations to present findings to the business community and other stakeholders</li> <li>• Coordinate listening sessions or other opportunities to hear from businesses about how the City can assist with acting on opportunities in the near-, mid-, and long-term</li> </ul>	<p>participation with the Chamber</p> <ul style="list-style-type: none"> <li>• Number of businesses and other stakeholders who attend presentations and provide feedback/needs</li> </ul>	<p>aware of areas for opportunity and collaborate with the City to determine how to take advantage of those opportunities.</p> <ul style="list-style-type: none"> <li>• Local businesses view each other as partners and collaborators in growing and strengthening the local economy.</li> <li>• The City and businesses better understand their roles in fostering a vibrant and healthy economy.</li> </ul> <p><b>Deliverables</b></p> <ul style="list-style-type: none"> <li>• Economic Analysis report</li> <li>• Presentation materials</li> <li>• List of business and other stakeholder participants in engagement opportunities</li> </ul>
<p><b>Execute a strategy to continue supporting business recovery and future business growth</b></p>	<p>1-2023 to 11-2023</p>	<ul style="list-style-type: none"> <li>• Partner with local businesses and other stakeholders to identify near-term opportunities that can be acted on in 2023 as well as mid- and long-term needs based on the Economic Analysis, community engagement, and other efforts</li> <li>• Execute on early actions as applicable and develop an implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Number of businesses and other stakeholders who participate in identifying needs and actions</li> <li>• Number of businesses who benefit from early actions</li> <li>• Number of early support actions implemented</li> <li>• Additional City Council support secured to support mid- and long-term action plan</li> </ul>	<p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Local businesses can transition from economic recovery to growth and sustainability.</li> <li>• Local businesses feel heard and supported by the City.</li> <li>• Local businesses view each other as partners and collaborators in growing and strengthening the local economy.</li> <li>• The City and businesses better understand their roles in fostering a vibrant and healthy economy.</li> </ul>

		strategy to act on mid- and long-term needs <ul style="list-style-type: none"> <li>• Advocate for City support of mid- and long-term needs in mid-biennium adjustment process</li> </ul>		<b>Deliverables</b> <ul style="list-style-type: none"> <li>• A least three early actions implemented</li> <li>• Implementation strategy to guide mid- and long-term actions</li> <li>• List of business and other stakeholder participants in the process</li> </ul>
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3. **Connection to Port of Seattle interests:** Explain how your project benefits the Port of Seattle and ties to the Port’s business interests?

The City of Mercer Island is home to many regional attractions, including public access to Lake Washington, public art, and many beautiful parks and open spaces. By bringing back more community events and encouraging the business community to engage more closely with those events, we aim to foster more collaboration that ultimately revives tourism in the region. Additionally, the City has never conducted a complete Economic Analysis of the community before, and, as we continue to recover and emerge from the pandemic, we aim to support businesses not only in recovering but also thriving. This means identifying new opportunities for them to grow and reach new markets, which could provide new avenues for supporting the Port’s other primary business interests.

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. This table is used in the agreement between the Port of Seattle and each city.

Project:	Project Category	Port of Seattle Funds Awarded:	City Monetary Matching Funds:	City In-kind Matching Funds:	Total Funds (Including In-Kind):
Project 1	Buy Local/ Placemaking	\$15,000	\$3,750	\$3,750	\$20,000
Project 2	Custom Covid-19 Response	\$36,580	\$9,145	\$9,145	\$57,370
<b>Total Funds:</b>		\$51,580	\$12,895	\$12,895	\$77,370
<b>Percentage contribution to Port Funds*:</b>		100%	50%	50%	

5. **Collaboration with partners:** Please identify any community organizations (chamber of commerce, neighborhood



associations, Small Business Development Centers, SCORE, Greater Seattle Partners, etc.) you plan to work with to complete all or part of your project(s)?

**Community Partners**

- Mercer Island Chamber of Commerce
- Mercer Island Rotary Club
- Mercer Island businesses
- Mercer Island Parks & Recreation

**Regional Partners**

- Small Business Development Centers

6. **Use of consultants or contractors:** If you plan to use consultants or contractors to complete all or part of the project, please identify the firm or type of firm you plan to hire for this project.

- Firm specializing in economic analysis