

CITY COUNCIL AGENDA TOPIC

Resolution authorizing the City Manager to execute Amendment No. 1 to the Interlocal Agreement establishing a cooperative effort to support Regional Economic Development (Startup 425).

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EXECUTIVE SUMMARY**ACTION**

Staff requests action from Council on an administrative amendment to the Interlocal Agreement (ILA) with regional partners to solidify and enhance the Startup 425 program to support entrepreneurs and small businesses on the Eastside.

Amendment No. 1 will do the following: (1) reassign the administrative functions to the City of Bellevue; (2) if needed, allow the member cities to reassign administrative functions to another city per agreement of the members without need of future amendments; (3) revise the applicable scope of work; (4) revise the term and termination process; (5) revise the financing mechanism; (6) allow additional cities to become members upon unanimous approval of participating members without need of future amendments; and (7) add a provision concerning the acquisition/disposition of property.

RECOMMENDATION

Move to adopt Resolution No. 10300

BACKGROUND/ANALYSIS

A partnership between the economic development programs in Bellevue, Issaquah, Kirkland, Redmond, and Renton first came together in 2016 and was designed to promote small business, startups, and entrepreneurship in the partner communities.

On July 31, 2018, the five cities agreed to explore ways to formalize the partnership and improve service delivery to small businesses. After research and analysis, the partners agreed to execute an interlocal agreement as the most meaningful way to meet the communities' small business policy objectives.

On June 3, 2019, the Council approved an Interlocal Agreement (ILA) with regional partners formally creating the Startup 425 program to support Eastside entrepreneurs, with the City of Kirkland serving as the administrator of Startup 425.

The proposed amendment would revise the ILA as follows:

- a) Bellevue will assume administration of the program and no new or separate legal or administrative entity is created. The partners can transfer the coordinator duties to another partner city in the future, as needed.
- b) Prescribe a new scope of work, allowing the following activities: (i) hosting, editing, and maintaining the Startup 425 website; (ii) participating in the Eastside startup and small business community to promote a vibrant ecosystem of entrepreneurs and small business owners; (iii) evaluating structural options and developing a financial sustainability plan for the program and engaging in long-range planning for the Startup 425 program and the broader small business support ecosystem; (iv) designing, planning, and operating small business support programming; (v) providing regular updates for all parties; and (vi) performing other related programs as proposed by administrator or parties.
- c) Extend the term until December 31, 2023, and allow for automatic renewals for one-year terms ending on each December 31, unless a party gives notice 30 days before the end of the then-existing term that it is withdrawing from the program. Upon any withdrawal, the program shall continue unless the remaining parties agree that the program is no longer viable without the withdrawing party, in which event the Administrator shall send notice to each member and the ILA shall terminate on December 31 of said year.
- d) Kirkland, Issaquah, Redmond and Renton will each provide \$20,000 annually to the City of Bellevue for management and operation of the Startup 425 program.
- e) Bellevue will contribute up to \$40,000 to manage the program and its day-to-day operations, and provide all the necessary infrastructure for the staff.
- f) In 2023, an additional one-time \$12,200 contribution will be invoiced to and paid by each partner for staffing and management; additionally, Bellevue will provide additional one-time \$61,000 cash and in-kind contribution to fund these services. This will fund an additional staff member to bring financial expertise to entrepreneurs on the Eastside and address the financial long-term planning for the program.
- g) Authorize the Administrator to contract for goods or services that are additive to day-to-day administration/operation of the program (e.g. consultants), which shall be funded as mutually agreed in writing by the Parties prior to execution of any contract. Each funding party will pay its agreed share within 30 days of receipt of any invoice from the Administrator.
- h) Allow for new members. Startup 425 will have a formal method of incorporating additional parties to expand the regional partnership. The City of Bothell has already expressed interest.
- i) Add a new provision to address the acquisition/disposition of property, superseding a previous memorandum of understanding executed by the parties with respect to property contributed by members to support Startup 425 programming.

POLICY & FISCAL IMPACTS

Policy Impact

This amendment is supportive of the 2020 Economic Development Plan small business strategies:

SB 1. Work with partner organizations to expand access to technical training for entrepreneurs and small business owners with a focus on those of diverse backgrounds.

1.1 Work with Startup 425 partners to expand the website as a centralized one-stop-shop with additional resources in multiple languages.

1.2 Support efforts to expand in-person and virtual training options.

Fiscal Impact

Adoption of this ILA amendment revises partner city contributions, including Bellevue's, in a minor, positive, fiscal impact as outlined in the ILA amendment and detailed above. Adequate funding exists in currently allocated economic development funding for City of Bellevue's contribution.

OPTIONS

1. Adopt the Resolution authorizing the City Manager to execute Amendment No. 1 to the Interlocal Agreement establishing a cooperative effort to support Regional Economic Development (Startup 425).
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS

A. Amendment No. 1 – Startup 425 Interlocal Agreement
Proposed Resolution No. 10300

AVAILABLE IN COUNCIL LIBRARY

Economic Development Plan
Startup 425 Interlocal Agreement.