

**Interlocal Agreement between the
City of Lacey and the Port of Olympia**

2625 Willamette Drive NE, Lacey WA

This interlocal agreement ("Agreement") is made and entered into as of the date of the last signature hereon ("effective date") by and between the City of Lacey, a municipal corporation (hereinafter referred to as "CITY"), and the Port of Olympia, a Port District formed under RCW Ch. 53.04, (hereinafter referred to as "PORT"), jointly referred to as "Parties," WITNESSETH:

WHEREAS, RCW 39.34.010 permits local governments to make the most efficient use of their powers by enabling them to cooperate and enter into agreements with other governments; and

WHEREAS, on March 16, 2017, the PORT acquired certain industrial property within the CITY, including property located at 2625 Willamette Drive (hereinafter the "Property"), a 1.35-acre parcel with an existing 9,500 square foot industrial building; and

WHEREAS, the PORT acquired the Property for the purpose of promoting economic development within the Port District, as provided for in RCW 53.08.245; and

WHEREAS, the Parties both have common goals and interest to foster economic development and opportunities for community prosperity within Thurston County and the City of Lacey, and

WHEREAS, the Parties recognize the need to support entrepreneurial activity and business startups within Thurston County and the City of Lacey by providing space for such businesses that is not readily available or adequately served by today's real estate market; and

WHEREAS, the Parties recognize that providing entrepreneurs and new businesses with access to entry tenant space will support their growth, expansion, and ability to scale up into larger space and increase employment; and

WHEREAS, the Parties also support and desire to provide a resource of small scale flexible industrial spaces in order to strengthen connection to programs that facilitate innovation and entrepreneurship, including the Lacey MakerSpace, the South Puget Sound Community College and Saint Martin's University.

NOW, THEREFORE, the Parties, in consideration of the mutual terms, conditions, covenants, and provisions contained herein, the mutual benefits received hereunder, and the mutual goals and benefits of economic development, agree as follows:

1. The Parties will jointly develop a market and industry analysis for the Property in order to determine the appropriate configuration and improvements needed to the Property to provide scaled industrial space to serve small business, startups and

entrepreneurial innovation that spurs job growth consistent with the intent of this Agreement. The Parties may mutually agree to engage professional services or third party partner to assist in the development of this analysis with costs to be allocated as provided for herein.

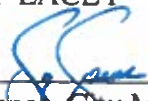
2. The PORT will develop a management and operations plan (hereinafter "Management Plan") for the Property with CITY, stakeholder, and public input. The Management Plan will establish policies and procedures for the management and operation of the Property designed to achieve the economic development goals of this Agreement. The final Management Plan will be subject to approval by the PORT Commission. In conjunction with developing the Management Plan, the PORT will identify existing PORT real estate policies and procedures that may require amendment or modification to implement the Management Plan and take reasonable steps to implement such amendments or modifications as may be needed.
3. The Parties mutually agree to jointly start implementing this Agreement no later than three (3) months after the effective date and to complete the market and industry analysis and Management Plan called for in this Agreement within fifteen (15) months of the effective date.
4. In the event professional services are necessary to develop the market and industry analysis or Management Plan, the Parties agree to split such costs evenly up to total cost not to exceed \$10,000 for each party. The PORT agrees to lead the RFQ process and manage consultant contract(s) in the event such professional services are solicited. Payment will be made by the PORT for the full amount of any contract invoices, with the CITY's share billed to the CITY at the conclusion of the contract.
5. The CITY agrees to invest an amount not to exceed Two-Hundred Thousand Dollars (\$200,000.00) towards improvements to the Property designed to accomplish the intent of this Agreement, including structural improvements to the facility, tenant improvements, and professional services necessary to provide space to qualifying prospective tenants.
6. This Agreement shall remain in effect for five (5) years after the effective date unless sooner terminated in writing by the Parties.
7. No separate legal entity is created by this Agreement.
8. The terms and conditions of this Agreement can be amended or extended by mutual consent of the signing representatives from the CITY and the PORT.
9. The Parties mutually agree to defend, indemnify and hold the other, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses or suits, including reasonable attorney fees, to the extent caused by

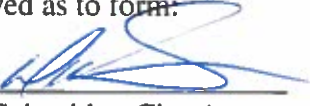
each entity's respective negligence in performance of its responsibilities under this Agreement.

10. Prior to entry into force, this Agreement shall be filed with the Thurston County Auditor's Office or posted upon the websites or other electronically retrievable public source as required by RCW 39.34.040.
11. This Agreement shall be governed by the laws of the State of Washington as to interpretation and performance. The parties hereby agree that venue for enforcement of this Agreement shall be the Superior Court of Thurston County. The Parties shall attempt to resolve any disputes by informal negotiation prior to filing suit.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement as of the date of the last signature hereon.

CITY OF LACEY

By: 
Scott Spence, City Manager
Date: November 9, 2017

Approved as to form:

David Schneider, City Attorney

PORT OF OLYMPIA

By: 
Ed Galligan, Executive Director
Date: Nov. 27, 2017

Approved as to form:

Heather L. Burgess, Port Legal Counsel

