

MEMORANDUM OF UNDERSTANDING

KNOX COUNTY

AND

INNOVATION VALLEY, INC.

The following Memorandum of Understanding (MOU) is effective the 1st day of July, 2008 by and between **KNOX COUNTY**, hereinafter referred to as the "**COUNTY**" and **INNOVATION VALLEY, INC.**, 17 Market Square, #201, Knoxville, Tennessee 37902, hereinafter referred to as the "**AGENCY**."

WITNESSETH:

WHEREAS, it is in Knox County's best interest for the Agency to enhance the overall economic prosperity for Knox County through Innovation Valley, Inc., a collation of economic development agencies that will coordinate and execute an overall economic development strategy focused on six areas: technology and entrepreneurship, education and workforce development, business retention, resources for living, public policy, and global marketing.

WHEREAS, the Agency has the capability to perform the services required by Knox County and agrees to engage in the activities set forth below.

WHEREAS, the Knox County Commission approved Knox County's 2009 Budget on June 18, 2008, effective date July 1, 2008 and thereby included funding as described herein.

NOW, THEREFORE, and in consideration of the premises and mutual promises and covenants stated herein, the parties agree as follows:

ARTICLE I. SCOPE OF SERVICES.

The Agency, in conjunction with other regional economic development partners, will implement the work plan for the Innovation Valley. The work plan is an all-encompassing blueprint with specific strategies for 6 key program areas:

- Education and Workforce Development
- Entrepreneurship and Technology
- Global Marketing
- Business Retention and Expansion
- Public Policy
- Resources for Living

The Innovation Valley work plan was drafted with input from over 80 business and community leaders in the Knoxville metropolitan area. This work plan is the next step for the region which has tremendous momentum following the successful Jobs Now program which recently announced fifth year cumulative goals of 40,147 net new jobs, \$2.8 billion in new non-residential capital investment, and increase of average earnings per job to \$37,008. The Agency shall do, perform and carry-out in a satisfactory manner, as determined by the County, the outcomes and performance indicators set forth in "Appendix A," and incorporated by reference as if fully set forth verbatim herein.

ARTICLE II. REPORTING

The Agency will provide the County a *QUARTERLY PERFORMANCE INDICATORS REPORT* indicating the status of each of the anticipated outcomes and performance indicators attached to this MOU as "Appendix A" by the 1st of the month following each quarter – October 1, January 1, April 1, and July 1.

ARTICLE III. TERM.

The term of this MOU shall commence on **July 1, 2008** and shall terminate on **June 30, 2009**, unless terminated earlier pursuant to Article VI herein.

ARTICLE IV. PAYMENT TERMS AND CONDITIONS.

Maximum Liability. In no event shall the maximum liability of the County under this MOU exceed four hundred thousand dollars (\$400,000). A total of \$200,000 in funding was initially approved by the Knox County Commission in the 2009 Knox County budget. An additional \$200,000 was approved by the Knox County Commission by Resolution # R-08-7-909 on July 28, 2008 to be appropriated from the fund balance. This additional funding will be release on a quarterly basis of \$50,000 based on sufficient fund balance as determined by the Knox County Commission.

The County will compensate the Agency on a quarterly term and the payment for each quarter shall not exceed \$100,000, with \$50,000 subject to determination that revenue is sufficient. The Agency shall submit an invoice for payment October 1, 2008; January 1, 2009; April 1, 2009; and June 30, 2009. All required quarterly reports must be submitted before payment is requested.

ARTICLE V. MONITORING AND RECORDKEEPING

The County or any of their authorized representatives shall have access to any books, documents, papers, and records of the Agency that are directly pertinent to this MOU for the purpose of making audit, examination, excerpts, and transactions. The Agency must provide the requested information and/or make the necessary modifications to the information presented to comply with the County's requirements and allow as many site visits by County's representative as are deemed necessary to establish and validate results/outcomes of Performance Indicators. The Agency must retain all records relevant to the MOU for a period of at least six (6) years.

ARTICLE VI. TERMINATION.

If the Agency shall fail to fulfill, in a timely and proper manner, their obligations under this MOU, or if the Agency shall violate any of the covenants or stipulations of this MOU, the County shall thereupon have the right to terminate this MOU by giving five (5) calendar days written notice to the Agency of such termination and specifying the effective date thereof.

ARTICLE VII. INDEPENDENT CONTRACTOR.

The Agency shall render all services as an independent contractor and shall not be considered an officer, agent or employee of the County or entitled to any benefits, insurance, pension, worker's compensation, or any other benefit as that of an employee of the County.

ARTICLE VIII. PROPRIETARY INFORMATION.

The Agency shall not use or duplicate, in any way or by any means, any proprietary information, including trade secrets belonging to or supplied or otherwise made available except in the performance of work or the rendering of services for the County or at the direction of the County.

ARTICLE IX. APPROPRIATIONS

In the event no funds are appropriated by Knox County for the Services described herein in any fiscal year or insufficient funds exists to provide the services, then the MOU shall expire upon the expenditure of previously appropriated funds or the end of the current fiscal year, whichever occurs first, with no obligations owed to or by either party. This provision shall survive the termination of this MOU.

ARTICLE X. INDEMNIFICATION.

The Agency shall indemnify, defend, save and hold harmless the County, its officers, agents and employees from all suits, claims, actions or damages of any nature brought because of, arising out of, or due to breach of the Contract by the Agency, their subcontractors, agents or employees or due to any negligent act, occurrence, omission, commission of the Agency, their subcontractors, agents or employees.

ARTICLE XI. POLITICAL ACTIVITY

Neither the Agency's program nor the funds provided therefore, nor the personnel employed in the administration of the program shall be in any way or to any extent engaged in the conduct of political activities.

ARTICLE XII. FEDERAL, STATE AND COUNTY REQUIREMENTS.

The Agency shall comply with all local, state and federal requirements including all applicable provisions of the Health Insurance Portability Act of 1996 (HIPAA) necessary to the execution of the Agency performance under their Agreement. Neither the County nor the Contractor shall assign, sublet, or transfer its interest in their Agreement to any other party without the prior written approval of the other party. The Agency shall not issue a subcontract for the duties or services set forth above without prior approval of the County. Furthermore, the Agency warrants to the County that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of their contract. The Agency warrants that it will cooperate with the County in the course of performance of the contract so that both parties will be in compliance with HIPAA, including cooperation and coordination with County privacy officials and other compliance officers required by HIPAA and its regulations. The Agency will sign any documents that are reasonably necessary to keep the County and the Agency in compliance with HIPAA, including but not limited to business associate agreements.

ARTICLE XIII. GOVERNING LAW.

Their agreement shall be interpreted, construed and governed according to the laws of the State of Tennessee and Knox County.

ARTICLE XIV. ENTIRE AGREEMENT IN DOCUMENT.

This instrument embodies the entire agreement between the parties and no prior representations, terms, conditions, promises, agreements, oral or otherwise, between the parties other than contained herein, shall have any force or effect.

IN WITNESS WHEREOF, the parties have executed their Memorandum of Understanding as of the date first written above.

KNOX COUNTY

BY:

Mike Ragsdale
Mike Ragsdale, County Mayor

DATE: 10/17/08

INNOVATION VALLEY, INC.

BY:

Thomas Max
Innovation Valley, Inc.

DATE: 11/17/08

APPROVED AS TO LEGAL FORM AND CORRECTNESS:

BY:

Scott C. [Signature]
Knox County Law Director
Contract #: 08-535

DATE: 10/17/08

Appendix A

Outcomes and Performance Indicators

#	Outcome	Performance Indicator
1	In five years 35,000 jobs will be created within the 5 county Knoxville MSA	Ratio of % of time expired (in months) to the % of five year goal reached - as reported by U.S. Bureau of Labor Statistics
2	Marketing Knoxville/Knox County through specific recruiting efforts, trade shows, and conferences will continue.	Percent of change in number of recruiting trips, trade shows and conferences attended by IVI ED Staff.
3	Business location prospect activity is increased	% of active projects that came to IVI as a direct result of recruiting trips, trade shows, and conferences
4	Relationships with site selection consultants are established and strengthened.	% of active projects currently being worked which were generated by a site selection consultant
5	A focused existing industry program that provides resources to local companies for their sustainability and growth continues.	5a. Percent of change in number of visits made to existing industries in Knoxville/Knox County
		5b. Percent of industries visited that are being helped for the first time
6	Growth and expansion of our existing industries has been encouraged.	% of existing industry visits that have had a tangible follow-up need which was completed by IVI.
7	The awareness level of existing companies, as well as potential new recruits in Knoxville/Knox County, of the technological resources available in our region is increased through visits conducted by the KACP Technology Mining and Matching Program; a joint partnership between KACP and UT-Battelle.	7a. % of visits that result in increased interest in/use of technological resources by existing companies
		7b. % of visits that result in relocation to Knoxville/Knox County of potential new recruits. Goal is 5%
		7c. % of total visits broken down by existing company or potential new recruit

Quarterly Success Indicators Report

AGENCY: Knoxville Chamber Federal Tax I.D. 62-0262640

PROJECT: Innovation Valley Inc

Period Covered: 1st Qtr. July-Sept 2008

Report Submission Date: July 9, 2009

2nd Qtr. Oct.-Dec. 2008

3rd Qtr. Jan-Mar. 2009

4th Qtr. Apr-June 2009 - Final Report - Fiscal Year 2008/09

#	Outcome Indicator	DCBD *	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Y-T-D	Goal
1	Ratio of % of time expired (in months) to the % of five year goal reached - as reported by U.S. Bureau of Labor Statistics	7/1/2008	5:00	10:00	15:00	20:00	*	30,000 jobs
2	Percent of change in number of recruiting trips, trade shows and conferences attended by KACP ED Staff.	7/1/2008	+120%	-28%	+25%	0%	32	
3	% of active projects that came to KACP as a direct result of recruiting trips, trade shows, and conferences	7/1/2008	3%	9%	10%	17%	9.75%	
4	% of active projects currently being worked which were generated by a site selection consultant	7/1/2008	30%	28%	36%	35%	32.25%	
5	a. Percent of change in number of visits made to existing industries in Knoxville/Knox County	7/1/2008	+10%	+17%	+4%	-60%	127 total	
	b. Percent of industries visited that are being helped for the first time	7/1/2008	51%	39%	57%	30%	60 total	
6	% of existing industry visits that have had a tangible follow-up need which was completed by KACP.	7/1/2008	65%	67%	60%	50%	60.5%	
7	a. % of visits that result in increased interest in/use of technological resources by existing companies	7/1/2008	93%	80%	80%	100%	213 total	
	b. % of visits that result in relocation to Knoxville/Knox County of potential new recruits. Goal is 5%	7/1/2008	0%	0%	0%	0%		
	7c. % of total visits broken down by existing company or potential new recruit	7/1/2008	100% existing	1 recruit	1 recruit	1 recruit		

*DCBD = Data Collection Beginning Date

Explanations:

1. Innovation Valley Inc was launched September 8, 2008. The five year job creation goal of this work plan is 30,000 total direct and indirect jobs for our region. * New job numbers have not yet been released, and will be distributed upon receipt.

2. 9 recruitment trips/trade shows/conferences attended
3. 3 out of 17 active projects = 18%
4. 6 out of 17 active projects = 35%
5. 13 existing industry visits conducted, 4 first time visits
6. 6 existing industry visits had tangible follow up
7. 44 mining and matching visits conducted