

MEMORANDUM OF UNDERSTANDING

KNOX COUNTY

AND

INNOVATION VALLEY, INC.

The following Memorandum of Understanding (MOU) is effective the 1st day of July, 2010 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 FY 2011 Budget on May 24, 2010, effective date July 1, 2010 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.

Innovation Valley Inc, was launched July 1, 2008, and is a collaborative regional economic development plan of work which provides a targeted, measurable, plan for the continuing business growth and investment in Knox County. The Innovation Valley plan focuses on key strategies and tactics in the following 6 key program areas:

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

Education and Workforce Development – The crux of this program is to ensure that our region maintains and continuously improves its workforce skills through various programs which include such things as partnering with Knox County Schools, developing an education management information system, supporting STEM (Science, Technology, Math and Engineering) curriculum and teacher development, and placing educators in the workplace.

Entrepreneurship and Technology – Through the completion and implementation of Battelle target industry technology study; Innovation Valley has a strategic technology business recruitment plan. Areas of focus include: Bioenergy, Solar, instruments and sensors, composites and advanced materials. Existing companies are also plugged into the technology resources of our region via our mining and matching program.

Global Marketing – This is getting the word out via various sources such as: print and web advertising, internal communications, editorial placement, targeted trade show, site selection consultant, and geographic recruitment missions, that the innovation valley is a great place to do business.

Business Retention and expansion – existing industries is where 75% of new job growth originates. Through targeted face to face existing industry meetings, a comprehensive menu of services is offered to existing companies outlining programs to: help companies access capital and incentives, strengthen their businesses, use utilities most efficiently, access job training programs and find the right employees.

Resources for living – efforts here focus on small and minority business development through our Propel and Mentor/Protégé programs, as well as working to improve air quality in our region.

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, 2010** and shall terminate on **June 30, 2011**, 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 two hundred fifty thousand dollars (\$250,000). The County will compensate the Agency on a quarterly term and the payment for each quarter shall not exceed \$62,500. The Agency shall submit an invoice for payment October 1, 2010; January 1, 2011; April 1, 2011; and June 1, 2011. 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: 6/30/10

INNOVATION VALLEY, INC.

BY: Flondra Rice

Innovation Valley, Inc.

DATE: 7/13/10

APPROVED AS TO LEGAL FORM AND CORRECTNESS:

BY: Joseph G. Jarret

Knox County Law Director

Contract #: 10-231

JOSEPH G. JARRET, ESQ.

INTERIM KNOX COUNTY LAW DIRECTOR

DATE: 6-17-10

Appendix A

Outcomes and Performance Indicators

#	Outcome	Performance Indicator
1	Create new direct and indirect jobs within the innovation valley region	Jobs as reported by US Bureau of Labor Statistics
2	Increased brand awareness of the Innovation Valley as a premiere business location	Number of business recruitment missions, trade shows, and conferences attended
3	Maintain strong interest of prospective businesses	Total number of active prospects worked by Innovation Valley staff
4	Form new and strengthen existing relations with site selection consultants	% of active projects generated by site selection consultants
5	Continuation of existing industry programs and services	Number of existing industry visits conducted
6	Supporting untouched existing industries	Number of first time existing industry visits
7	Raise awareness of regional technology assets	Number of Technology Mining & Matching visits conducted
8	Elevate regional high school graduation rates	Regional high school graduation rate
9	Support entrepreneurial development efforts via Mentor/Protégé program	Predefined objectives are achieved
10	Teachers are exposed to the business world via teachers in the workplace programs	Number of teachers who participate in teachers in the workplace programs

KNOX COUNTY PERFORMANCE MEASURES FY 2011

AGENCY NAME:	Innovation Valley		FED TAX I.D.	26-2087582		MEASURES SUBMISSION DATE			REQUESTED AMOUNT	\$350,000			
AGENCY MAILING ADDRESS:	17 Market Square, Suite 201		CITY, STATE ZIP CODE:	Knoxville, TN 37902		QUARTERLY REPORT SUBMISSION DATE (DUE 15TH FOLLOWING QUARTER END)	01/10/11		AWARDED AMOUNT				
PROGRAM/PROJECT NAME	Innovation Valley, Inc.		Project Contact Name and email:	Doug Lawyer, 637-4550, dlawyer@knoxvillechambe		SIGNATURE AND TITLE OF APPROVER (BELOW)	Total Project/Program Budget		\$1,706,935				
PROGRAM/PROJECT MISSION	Mission statement = Drive regional economic prosperity.		Grant award as a % of Total Project/Program Budget									19.60%	
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#	RESULT/OUTCOME	OUTCOME INDICATOR	TYPE	GOAL	1st Qtr. July-Sept	2nd Qtr. Oct-Dec	3rd Qtr. Jan-Mar	4th Qtr. Apr-Jun	Cumulative Y-T-D	CONTROL	DATA COLLECTION START		
1	Create new direct and indirect jobs within Innovation Valley region	Jobs are reported by US Bureau of Labor Statistics	5	6000	+4400	+1700							
2	Increased awareness of Innovation Valley as a premiere business location	Number of business recruitment missions, trade show, and conferences attended.	5	20	7	3							
3	Maintain strong interest of prospective businesses	Total # of active prospects worked by Innovation Valley staff.	5	25	52	48							
4	From new and strengthen existing relations with site selection consultants	Percent of active projects generated by site selection consultants	1	25%	19.2%	18.75%							
5	Continuation of existing industry programs and services	Number of existing industry visits conducted	5	150	13	4							
6	Supporting untouched existing industries	Number of first time existing industry visits	1	25%	30%	25%							
7	Raise awareness of regional technology assets	Number of Technology Mining and Matching visits conducted	5	150	55	47							
8	Elevate regional high school graduate rates	Regional high school graduation rate	1	90%	85.615	85.615							
9	Support entrepreneurial development efforts via Mentor/Protégé program	Predefined objectives are achieved	1	50%	tbd	tbd							
10	Teachers are exposed to the business world via teachers in the workplace programs	Number of teachers who participate in teachers in the workplace program.	5	100	190	190							
#	QUARTERLY REPORT EXPLANATIONS - USE ADDITIONAL PAGES AS NECESSARY												
1	Per US Bureau of Labor Statistics, the Knox MSA total nonfarm, non seasonally adjusted employment in September 2010 was 323,300. This number for November 2010 was 325,000, a positive change of 1,700 new jobs.												
2	Business recruitment missions included: Ottawa Canada, SEUS Japan in Nashville, and NAIOP in Orlando												
3	As of January 10, 2011, there are 48 active projects considering Knoxville region. This includes 4 Distribution, 29 manufacturing, 12 office, and 3 retail projects.												
4	9 out of the 48 active projects, or 18.75% were leads which came from site selection consultants.												
5	4 one-on-one existing industry visits were conducted. Also, an event was held for all 7 co's in EastBridge Business Park to discuss existing industry services.												
6	1 out of 4, or 25% of the existing industry visits were first time visits.												
7	47 Technology Mining and Matching visits were conducted.												
8	As reported by Innovation Valley school districts.												
9	Data on this program is still being collected. In all there are 19 mentor companies and 17 protégé companies participating in the Mentor/Protégé program												
10	190 teachers participated in the program in 2010, up from 67 that participated in 2009.												

Indicator Type
1 - Percent
2 - Average
3 - Median
4 - Ratio
5 - Total Count